### Operating Revenues
- **2013**: NOK 4,602 million
- **2012**: NOK 4,073 million
- **2011**: NOK 3,690 million
- **2010**: NOK 3,050 million
- **2009**: NOK 3,496 million

### EBITA
- **2013**: NOK 706 million
- **2012**: NOK 739 million
- **2011**: NOK 669 million
- **2010**: NOK 496 million
- **2009**: NOK 541 million

### Profit before other items
- **2013**: NOK 601 million
- **2012**: NOK 662 million
- **2011**: NOK 625 million
- **2010**: NOK 470 million
- **2009**: NOK 514 million

### Ordinary profit before taxes
- **2013**: NOK 561 million
- **2012**: NOK 630 million
- **2011**: NOK 604 million
- **2010**: NOK 463 million
- **2009**: NOK 508 million

### Net Profit
- **2013**: NOK 412 million
- **2012**: NOK 478 million
- **2011**: NOK 419 million
- **2010**: NOK 114 million
- **2009**: NOK 114 million

### Total Assets
- **2013**: NOK 5,623 million
- **2012**: NOK 5,159 million
- **2011**: NOK 3,999 million
- **2010**: NOK 3,305 million
- **2009**: NOK 3,305 million

### Equity
- **2013**: NOK 2,741 million
- **2012**: NOK 2,283 million
- **2011**: NOK 2,141 million
- **2010**: NOK 1,832 million
- **2009**: NOK 1,832 million

### Return on equity, ex. other items (%)
- **2013**: 15.4%
- **2012**: 19.9%
- **2011**: 20.3%
- **2010**: 15.8%
- **2009**: 17.3%

### Return on total assets, ex. other items (%)
- **2013**: 11.4%
- **2012**: 14.8%
- **2011**: 17.5%
- **2010**: 15.1%
- **2009**: 16.5%

### Earnings per share (NOK)
- **2013**: 2.62
- **2012**: 2.98
- **2011**: 2.72
- **2010**: 0.32
- **2009**: 0.50

### Earnings per share fully diluted (NOK)
- **2013**: 2.62
- **2012**: 2.98
- **2011**: 2.72
- **2010**: 0.32
- **2009**: 0.50

### Net cash flow from operating activities (NOK million)
- **2013**: 567
- **2012**: 550
- **2011**: 567
- **2010**: 525
- **2009**: 457

### Number of employees as of 31 December
- **2013**: 2,520
- **2012**: 2,470
- **2011**: 2,182
- **2010**: 1,419
- **2009**: 2,027

### Female employees (%)
- **2013**: 18
- **2012**: 17
- **2011**: 18
- **2010**: 19
- **2009**: 21

### Female managers (%)
- **2013**: 16
- **2012**: 17
- **2011**: 18
- **2010**: 19
- **2009**: 21

### Number of reportable injuries
- **2013**: 116
- **2012**: 81
- **2011**: 109
- **2010**: 92
- **2009**: 137

### Carbon dioxide emissions (Metric tons)
- **2013**: 25,800
- **2012**: 27,700
- **2011**: 25,400
- **2010**: 22,000
- **2009**: 23,300

### Waste generation (Metric tons)
- **2013**: 3,520
- **2012**: 3,390
- **2011**: 3,320
- **2010**: 3,130
- **2009**: 3,195

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**Additional information about TOMRA’s organization is available at www.tomra.com.**

**Print:** RK Grafisk AS | **Design:** TOMRA | **Photos:** TOMRA

**Tomra Systems ASA, Drengsrudhagen 2, 1372 Asker, Norway. Telephone: +47 66 79 91 00**
In 2013, our solutions enabled the efficient recovery of billions of used materials, and helped keep some 20 million tons of CO₂ from being released into the atmosphere.

We will continue our work to integrate operations within TOMRA Sorting to address overlaps and dualities, reduce costs and make the company fit for the future. A new assembly plant is being built in Pezinok, Slovakia which will serve as Sorting’s global production hub. A common sorting technology platform has been defined and will form the base for all new Sorting Solutions products, allowing us to capitalize on synergies, shorten time to market, and reduce development costs. After a period of slower order intake in 2013, the focus on sales of our many new products and securing orders will also be a priority focus area in 2014. The increased focus on food safety and inline inspection will favorably support our food business stream.

Given the global macro trends and increasing demand for greater resource productivity, there is every reason to believe that TOMRA’s unique position, broad product offering and deep application know-how will enable us to continue developing favorably.

THE OPPORTUNITIES AHEAD

The TOMRA Group is favorably positioned to support global macro trends in relation to resource optimization. By 2030, there will be three billion more middle class consumers driving consumption and the need for resources. The continuous global trend towards urbanization also drives the need for resources–in China alone, an estimated 300 million people will migrate from the countryside to cities in the coming 15 years. Global warming and the supply of food, water, and raw materials also pose a constant challenge to which we offer solutions.

Within Reverse Vending the potential exists for significant replacement sales in Germany in the coming 1-5 years. With the addition of the T-9 to our successful reverse vending portfolio and our comprehensive after-sales service offering, I believe we are particularly well positioned to capitalize on the opportunities in Germany and our other markets. Further initiatives within our cost-saving program will also be executed to maintain solid margin levels.

Our Compaction business has recently invigorated its product portfolio with the addition of ORWAK POWER, a family of balers with an innovative new hydraulic system and design concept enabling denser bales, greater durability and increased convenience in use.

We want to be a driving force and enabler for sustainable development, an aspiration reflected by our vision statement “Leading the Resource Revolution.” In essence this means creating opportunities for our customers and business partners to increase resource productivity and value generation while minimizing environmental impact.

In 2013 our solutions enabled the efficient recovery of billions of used materials, and helped keep some 20 million tons of CO₂ from being released into the atmosphere. This is a significant contribution and a great source of pride for TOMRA employees.

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DOING BUSINESS RESPONSIBLY

TOMRA is a member of the UN Global Compact, a strategic platform for advancing our commitment to sustainability and corporate citizenship. During 2013 we continued to focus on implementing our Code of Conduct and other policies as part of the ongoing process to integrate the Food segment and build “ONE TOMRA.” This is an essential part of ensuring that TOMRA operates responsibly on a global basis. TOMRA will continue to support and promote the principles of the Global Compact during 2014.

BUSINESS REVIEW 2013

Overall 2013 was a mixed year for TOMRA; the Collection Solutions business area continued to perform well and delivered growth. We brought to market the T-9, the first of a new generation of reverse vending machines based on TOMRA Flow Technology–featuring the first ever 360-degree recognition system applied inside an RVM. This technology enables a number of unique benefits both for our customers and consumers, including the possibility for accepting containers that until now could not be collected in RVMs such as TerraPak cartons. Sorting Solutions experienced growth within the food segment, launching new products for important application segments based on a common technology platform. Sorting however faced challenges particularly within the recycling segment where the business climate was negatively influenced by falling commodity prices. Although TOMRA maintained its market share, the drop in sales volume for metal recycling was significant. The waste recycling sector also experienced a period of more moderate growth. Mining, an area where TOMRA has a market share of 40-60%, also experienced challenges and to accelerate growth more emphasis has been given to the segments industrial minerals and gem stones in addition to developing more frequent smaller projects.

THE OPPORTUNITIES AHEAD

The TOMRA Group is favorably positioned to support global macro trends in relation to resource optimization. By 2030, there will be three billion more middle class consumers driving consumption and the need for resources. The continuous global trend towards urbanization also drives the need for resources–in China alone, an estimated 300 million people will migrate from the countryside to cities in the coming 15 years. Global warming and the supply of food, water, and raw materials also pose a constant challenge to which we offer solutions.

Within Reverse Vending the potential exists for significant replacement sales in Germany in the coming 1-5 years. With the addition of the T-9 to our successful reverse vending portfolio and our comprehensive after-sales service offering, I believe we are particularly well positioned to capitalize on the opportunities in Germany and our other markets. Further initiatives within our cost-saving program will also be executed to maintain solid margin levels.

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In 2013, our solutions enabled the efficient recovery of billions of used materials, and helped keep some 20 million tons of CO₂ from being released into the atmosphere.
The Resource Revolution is about transforming how we obtain, use, and reuse resources for sustainable economic growth and improved quality of life for all. TOMRA’s solutions help our customers increase their financial results and reduce their environmental impact.

Together, we are

LEADING
THE RESOURCE
REVOLUTION

We know that as a planet, we’re running to the end of our leash. The world population will increase by 30% in the next forty years. Global resources are under unprecedented pressure. For example, today it takes one and a half years to reproduce the biomass that the world consumes in just one year. Something needs to change.

Resource productivity and optimization are the best ways of ensuring sustainable development today and in the future. That’s why we’re focused on transforming how the world obtains, uses, and reuses its precious resources. From the invention of the world’s first reverse vending machine in 1972 to the creation of the most innovative sensor-based sorting solutions today, we are proud to be among the first to recognize that what’s better for the environment can also be better for business.

TOMRA continues to take a larger role in leading the Resource Revolution by extending our reach to include food sorting, mining, compaction, recycling, and material recovery. The more we collaborate in developing opportunities for resource-optimizing innovation, the greater our impact will be on our future.

TOMRA’s solutions, in use around the globe, helped keep up to 22 million tons of CO₂ from being released into the atmosphere in 2013, equivalent to the annual emissions from 14 million cars driving 10,000 km. This allows our customers to increase their financial results while reducing their environmental impact.
Creating one TOMRA has been about leveraging existing brand equities and combining them to complement the whole — creating an ecosystem of sensor-based solutions focused on the optimization of our customers resource use.

By becoming one TOMRA we have positioned ourselves as a unified brand that can lead the resource revolution toward sustained economic growth and improved quality of life for all.
# TOMRA COLLECTION SOLUTIONS

## REVERSE VENDING

**TOMRA** is the undeniable leader in the field of reverse vending of used beverage containers.

TOMRA is the undeniable leader in the field of reverse vending of used beverage containers. We pioneered this industry more than 40 years ago and we continue to nurture the spirit of innovation necessary to address today’s new challenges. We’re proud of our efforts. We have more than 70,000 machines installed across 30 markets worldwide, and we know that customers and stakeholders alike recognize and appreciate our position as the worldwide expert in this important field.

With a solutions portfolio that’s able to fit almost any need, we’re able to optimize the handling of used containers in a wide range of business environments. And our continuous research, development, and innovation ensures that our customers will have the benefit of the best lifetime value and highest operational ease of any system out there. When choosing TOMRA as a partner, you can rest assured that the quality, technology, and service you expect will be there when you need it.

## COMPACtion

**TOMRA Compaction** is a world leader in compaction and baler solutions for solid waste materials at their source.

We offer a comprehensive range of compaction systems that add to a cleaner environment and make waste management more efficient and profitable. Highly compacted waste means less volume to transport, which contributes to reduced transportation costs and lower CO₂ emissions. Since the early 1970s, we’ve been designing, developing, and manufacturing high-performance systems that have set the standard for cost-effective waste recycling and disposal.

Over the years we’ve delivered more than 70,000 machines to customers in more than 40 countries around the globe. In a world of commerce and consumption responsible for generating mountains of waste material, we’re truly dedicated to sustainable waste management and maximizing the productivity of the world’s precious resources. Our solutions represent an indispensable link at the very beginning of the waste management chain.

## MATERIAL RECOVERY

The complex requirements of the deposit return system that created the need for reverse vending machines also created the need and opportunity for Material Recovery Services.

Recycling business stream is integrated throughout the container recycling value chain. Using sorting and compaction through RVM technology, in partnership with an integrated logistics and processing system, is providing cost savings of between 30% and 65%. And maintaining the material quality throughout the process increases the value of these materials to recycling companies. PET alone is, on average, 10 cents more valuable when collected and processed through TOMRA’s systems. TOMRA’s Material Recovery Services demonstrate its value every step of the way.

### OUR REVERSE VENDING BUSINESS STREAM HAS AN ESTIMATED 65% MARKET SHARE.

#### REDUCED COSTS

- Reverse vending machines reduce the need for manual labor and typically have a payback period of just 12-18 months for medium-size stores.
- Improved logistics and handling.

#### CLEARING OF DEPOSITS

- RVMs keep track of all deposit transactions. In Germany alone the total transaction volume has an annual value in excess of 4 billion EUR.
- RVMs have several fraud detection features to prevent paying out deposits on non-eligible containers.

#### Environmental Benefits

- About 30 million tons of material are compacted and recycled per year using TOMRA’s equipment. The savings are equivalent to 10.8 million truck transports annually. Assuming each short distance transport is about 20 km, that’s reducing CO₂ emissions by 270,000 tons per year.

### OUR COMPACTION BUSINESS STREAM HAS AN ESTIMATED 15-20% MARKET SHARE IN ACTIVE MARKETS.

#### ENHANCED PRODUCTIVITY

- Significant reduction in time spent on manual waste handling and internal waste transportation. That means staff can spend more time concentrating on core tasks instead.
- Waste volume reduction contributes to more productive use of space for stock in trade and production.

#### COST SAVINGS AND INCREASE VALUE

- Lower transport costs due to highly compacted waste, requiring fewer transport pick-ups.
- Sorting at source yields a higher quality of waste materials for recycling.

### OUR MATERIAL RECOVERY BUSINESS STREAM HAS AN ESTIMATED 60% MARKET SHARE IN MARKETS SERVED.

#### SUPPLY CHAIN MANAGEMENT

- Product management through the value chain.
- Engineer cost efficiencies through logistics.
- Material sorting and compaction for efficient transport to processing facilities.
- 5-10% cost savings opportunity using TOMRA’s systems approach.

#### ACCOUNTABILITY AND INTEGRITY

- Clearinghouse services coordinate financial transactions in excess of $500 million annually.
- A 5-10% reduction in shrink.

#### Environmental Benefits

- Reduced carbon footprint.
- High-quality and valued materials for reuse in manufacturing.
- 10% pricing improvement.
FOOD
ODENBERG and BEST are now under the umbrella of TOMRA Sorting Solutions to design and supply innovative world-class sorting, peeling, and process analytics solutions for a wide range of applications.

Through continued investment in research, development, staff, and education, ODENBERG and BEST continue to lead in several sectors of the food sorting industry, including dried fruit, nuts, fresh cut, fruit, potato, seafood, and vegetables markets.

Developing state-of-the-art technologies, optimizing customers’ production flow, and helping to deliver consistent, high-quality output have been our strengths for more than 30 years in the food industry. We offer customers an integrated approach that maximizes yield, quality, and efficiency—collecting real-time information from farm to fork.

We offer more than 25 different sorting applications that separate a wide range of valuable fractions, including plastics, metals, and paper from waste. Our systems also recover clean material fractions, delivering significantly higher yields and increased value from the input material.

TOMRA’s technology increases the waste stream yield by ensuring consistent quality of output, enhances production line flexibility, and allows material composition to be monitored to improve grading of fractions. The automated systems also reduce manual labor, operation, and service costs. Our expert engineers in the field of recycling understand the complex nature of processing raw waste and metal material and know how to develop and implement bespoke recycling solutions for your particular business.

Regardless of whether it is the processing of diamonds, gold, limestone, or coal, our sensors recognize the target material on the basis of typical characteristics, such as color, atomic density, transparency, or conductivity. The valuable mineral-bearing rock is then selectively expelled using a precise pulse of pressurized air from the high-performance nozzle system, regardless of whether it’s a small diamond or a heavy lump of ore.

Worldwide, over 200 TOMRA sorting systems are already contributing to more energy-efficient and cost-effective pre-concentrations, as well as to material recovery. TOMRA’s sensor-based solutions help to extend the life of mining operations and increase the overall value of the deposit.

RECYCLING
Today, there are around 3,500 TOMRA TITECH sensor-based sorting machines operating in more than 40 countries.

From the beginning, we’ve invested substantially in developing sorting technology geared to the needs of a changing world. Our systems reduce the need for the extraction of primary raw materials, making them an important part of the Resource Revolution. They do this by recovering pure fractions for material and energy recycling, which simultaneously delivers the best possible solution for regulators, waste management organizations, and the environment.

We offer more than 25 different sorting applications that separate a wide range of valuable fractions, including plastics, metals, and paper from waste. Our systems also recover clean material fractions, delivering significantly higher yields and increased value from the input material.

TOMRA’s technology increases the waste stream yield by ensuring consistent quality of output, enhances production line flexibility, and allows material composition to be monitored to improve grading of fractions. The automated systems also reduce manual labor, operation, and service costs. Our expert engineers in the field of recycling understand the complex nature of processing raw waste and metal material and know how to develop and implement bespoke recycling solutions for your particular business.

MINING
Most of the material moving through the mining sorting process is heavy, dusty, and abrasive. These types of high demands on the equipment require special and specific technology.

Material handling, product recognition, and pressurized air ejection are brought together by TOMRA Sorting Solutions Mining, previously known as CommodasUltrasort, in a robust and tested system, which reliably separates valuable mineral ores from waste rock. This technology provides top efficiency, precision, and speed.

Regardless of whether it is the processing of diamonds, gold, limestone, or coal, our sensors recognize the target material on the basis of typical characteristics, such as color, atomic density, transparency, or conductivity. The valuable mineral-bearing rock is then selectively expelled using a precise pulse of pressurized air from the high-performance nozzle system, regardless of whether it’s a small diamond or a heavy lump of ore.

Worldwide, over 200 TOMRA sorting systems are already contributing to more energy-efficient and cost-effective pre-concentrations, as well as to material recovery. TOMRA’s sensor-based solutions help to extend the life of mining operations and increase the overall value of the deposit.

OUR FOOD BUSINESS STREAM HAS AN ESTIMATED 25% MARKET SHARE.

OPERATIONAL EFFICIENCY REDUCES COSTS
- Up to 100% reduction on manual labor alternative.
- Productivity increases of approximately 20%.
- In many cases sorting cannot be completed manually due to product size or types of defects.
- Yield improvements greater than 1.5%.

ASSURED CONSUMER FOOD QUALITY AND SAFETY
- Automated control helps safeguard against undesirable or harmful items entering the food chain.
- Helps protect against the potential costs and damage to our customers’ reputations due to food quality issues, safety failures, and recalls.
- Legislation for food quality is becoming more and more demanding with full traceability.

INCREASES REVENUE
- High precision and multiple sort grades by size and quality maximize raw product as well as product sales value.
- Easy to achieve customer requirements regardless of incoming product quality.
- Analyzes the crop quality, size, and line efficiency as it sorts. Provides real-time data to customers in order to become more productive, maximizing yield and selecting and monitoring suppliers.

OUR RECYCLING BUSINESS STREAM HAS AN ESTIMATED 50%-60% MARKET SHARE.

REDUCES COSTS
- Reduces manual labor by up to 75%.
- Low operating and maintenance costs and reduced space requirements.
- Avoids high turnover of personnel.

INCREASES REVENUES
- High precision.
- Easy to adapt to changing needs and sorting tasks.

ENSURES CONSISTENT, STABLE AND FAST OPERATION
- High-volume sorting.
- Machines enable longer hours of operation.
- Reduced accidents and less strain on staff.
- Consistent quality and performance.
- Some sorting tasks are difficult or even impossible for manual sorters.

OUR MINING BUSINESS STREAM HAS AN ESTIMATED 40%-60% MARKET SHARE.

INCREASED ACCESS TO RESOURCES
- Lower head grade can be processed.
- Better utilization of existing deposits.
- Old dumps turn into new resources.

COST SAVINGS
- Significant capacity increase of the traditional beneficiation plant.
- Energy cost savings.
- Less wear and tear, as well as lower chemical costs.

ENVIRONMENTAL BENEFITS
- Better carbon footprint.
- Reduction of acid mine drainage.
- Less pollution.
STEFAN RANSTRAND (B. 1960)
President and CEO TOMRA Systems ASA
M.Sc. Industrial and Management Engineering, Linköping (Sweden) and Darmstadt (Germany)
Career History:
August 2009: Joined TOMRA as President & CEO
1991-2009: ABB Ltd., various management positions
1988-1991: Data General AG, Sales Executive Industrial Markets
1985-1988: IAEA Lager und Services AG
Number of TOMRA shares held: 81,269

ESPIN GUNDERSEN (B. 1964)
Senior EVP and CFO TOMRA Systems ASA
MBA, Norwegian School of Management, Oslo
CPA, Norwegian School of Economics and Business Administration, Bergen
Career History:
1999: Joined TOMRA
1995-1999: Salmer ASA, VP Business development
1989-1995: Arthur Andersen
Number of TOMRA shares held: 37,714

HÅKON VOLLDAL (B. 1955)
Executive VP TOMRA Systems ASA, Head of Central & Eastern Europe Collection Solutions
Master of Science Norwegian University of Science and Technology (NTNU), Norway
Career History:
2007-08: Executive Vice President Business Development North America, TOMRA
2005-07: Vice President Investor Relations and Business Development, TOMRA
2004-05: Director M&A, TOMRA
Affiliations:
Chairman of the Board, Bright Future AS
Number of TOMRA shares held: 22,474

HEINER BEVERS (B. 1960)
Senior VP TOMRA Systems ASA, Head of Central & Eastern Europe Collection Solutions
MBA, Westfälische Wilhelms-Universität, Münster
Career History:
2001: Joined TOMRA as General Manager, Tomra Systems GmbH (Tomra Germany)
1999-2001: General Manager, Consumer Division Werner & Mertz Group
1986-1999: Marketing & Sales, Procter & Gamble
Number of TOMRA shares held: 37,573

STEFAN EK (B. 1969)
Senior VP TOMRA Systems ASA, Head of TOMRA Collection Solutions, Compaction
Career History:
2004-2008: Director of Sales and Marketing, AB Orwak
2004-2006: OEM Business Development Manager, Sarminco SCI Modular Division
1998-2000: Area Sales Manager, Pulmax Ltd, Ireland
1995-1998: Area Sales Manager, Herber Industrier AB, Sweden
1990-1995: Production Planner, Gunnebo Troax AB, Sweden
Number of TOMRA shares held: 20,046

HARALD HENRIKSEN (B. 1963)
Senior VP TOMRA Systems ASA, Head of North America Collection Solutions
B.Sc. Electronics, University of Salford, Manchester
Career History:
2004: Joined TOMRA in 2004 as Senior VP Technology
2000-2004: VP Business Unit Tactical Radio, Kingsberg Defence and Communications AS
1997-2000: VP Product Management, VP R&D, Kingsberg Ericsson Communications AS
1990-1997: Technical management and project management, NFT Ericsson AS
Number of TOMRA shares held: 30,886

ASHLEY HUNTER (B. 1959)
Senior VP and Head of TOMRA Sorting Solutions, Food
B.Sc. Engineering, Trinity College, Dublin
Career History:
2013: Senior VP and Head of TOMRA Sorting Solutions, Food
2013: Became Head of TOMRA Food – Americas & Oceania following TOMRA’s acquisition of Odenberg
1997-2010: President, Odenberg Inc
1987-94: Technical Director, Lister Machine Tools Ltd
1983-87: Industrial Engineering Manager, Hyster Automated Handling
Number of TOMRA shares held: 4,998

TOM ENG (B. 1965)
Senior VP TOMRA Systems ASA, Head of TOMRA Sorting Solutions Recycling
Master of Arts in European Business, Fribourg, Switzerland
Career History:
2012: Head of TOMRA Sorting Solutions Recycling
1998 - 2012: Marketing Manager, Sales and Marketing Manager, Sales Director Titech AS
1993-1995: Marketing Manager, Noral SA, France
1991-1992: Marketing Assistant, Cub Cadet, USA
1983-1984: Trainee, First Wisconsin National Bank of Milwaukee, USA
Number of TOMRA shares held: 4,501

VOLKER REHRMANN (B. 1961)
Executive VP and Head of Business Area TOMRA Sorting Solutions
PhD in Computer Science, University of Koblenz
Master in Computer Science, University of Paderborn
Career History:
2003: TOMRA Group Chief Technology Officer
2002: Joined TITECH through acquisition of Real Vision Systems
1998-2002: Founder and Managing Director of Real Vision Systems GmbH
1994-1998: Assistant Professor for Computer Vision at University of Koblenz
Number of TOMRA shares held: 4,501

TON KLUMPER (B. 1955)
Senior VP TOMRA Systems ASA, Head of Western and Southern Europe Collection Solutions
Career History:
2007: Vice President, Western and Eastern Europe 2005-2005: Managing Director, Tomra Systems Benelux
1997-2003: Managing Director, Tomra Systems Netherlands
1987-1997: Managing Director, Halton Systems Netherlands
1985-1986: Account Manager, Tomra Systems Netherlands
Number of TOMRA shares held: 41,200

FREDRIK NORDH (B. 1974)
Senior VP TOMRA Systems ASA, Head of Nordic Collection Solutions
B.Sc. Business Economics, University of Uppsala
Career History:
2005: Joined TOMRA as Finance Manager Tomra Systems AB (Tomra Sweden)
2001-2003: Business Controller LG Electronics
Number of TOMRA shares held: 19,738
CORPORATE RESPONSIBILITY

TOMRA introduced its first five-year Corporate Responsibility program in 2011 in recognition of the need to widen its focus from mainly environmental issues. TOMRA’s first environmental program was approved by the Board in 1998.

It was natural that the Corporate Responsibility (CR) Program should be linked to the ten principles of the United Nations Global Compact (UNGC) as TOMRA had signed the Global Compact at the end of 2009. The topics covered by the CR Program and the relevant area of the UN Global Compact are shown in the table below.

As a member of the UN Global Compact, TOMRA aims to consistently promote doing business responsibly and implement the principles of the UN Global Compact. The following pages form part of TOMRA’s annual Communication on Progress.

TOMRA is now more than halfway through the period covered by the CR Program, and it is pleasing to note that significant progress has been made in the areas where TOMRA has had most focus. In particular, the reduction in CO₂ eco-intensity (emissions relative to activity), and the implementation of the risk management and anti-bribery programs have been high priorities.

In 2014 TOMRA will continue to address these areas as experience has shown that a constant focus is required to build the common culture and understanding necessary to fully integrate TOMRA’s policies throughout the organization.

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CORPORATE RESPONSIBILITY TARGETS AND CURRENT STATUS

Identify and implement additional actions to achieve 25% reduction in eco-intensity (CO₂ emissions) by 2015
+ Complete: 2013 eco-intensity was below the 2015 target

Complete analysis of TOMRA’s carbon footprint
+ Ongoing: Measured energy consumption of selected “bestselling” machines in all business streams

Continue implementation and follow-up of TOMRA’s ethical and other policies
+ Ongoing: Regular awareness sessions and workshops

Implement Risk Management procedure including additional safety and security considerations
+ Complete: Travel guidelines implemented for Service employees in 2013

Continued focus on employee satisfaction and being an attractive employer
+ Ongoing: Slight decrease in employee satisfaction versus 2012

Reduce accident rate per employee
+ Ongoing: Slight increase in 2013 versus prior year

SELECTED KEY PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct emissions (scope 1 &amp; 2)</td>
<td>24,200</td>
<td>25,500</td>
<td>24,700</td>
</tr>
<tr>
<td>CO₂ emission per unit of Value Added</td>
<td>14</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>80%</td>
<td>83%</td>
<td>81%</td>
</tr>
<tr>
<td>Reportable injuries per FTE</td>
<td>4.7</td>
<td>4.1</td>
<td>6.3</td>
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</tbody>
</table>
TOMRA’s mission is to create sensor-based solutions for optimal resource productivity so that its products and services contribute to better use of the world’s limited resources.

Over the past few years, TOMRA has implemented a number of initiatives to reduce its direct emissions as part of meeting its objective of reducing eco-intensity by 25% by the end of 2015. As shown in the graphs (below), TOMRA has already achieved the target for energy consumption and CO2 emissions.

However, TOMRA recognizes that actions to reduce its indirect emissions will have a greater global benefit. Therefore, the 2011-2015 Corporate Responsibility Program also includes reducing the energy usage of TOMRA’s products as an objective.

The past year has seen the successful launch of key products in most business streams and TOMRA is proud to see that the new models require less energy than the previous generation. For example, the new Nimbus sorter in business stream Food uses about 75% less energy than the prior version, mainly due to changing the scanning and recognition technology.

In addition to designing its products with a goal of reducing the energy consumption required in use, TOMRA endeavors to reduce the amount of materials used to produce the machines where possible without sacrificing performance. Some examples include the T-9 RVM, which incorporates significantly less mechanical components than comparative earlier models, and the new line of compactors, which uses significantly less steel than previous versions.

This year’s environmental data shows an increase in energy consumption, which reflects higher activities following the recent acquisitions. However, direct emissions have gone down, mainly due to increased use of alternative fuels in the US.

Water consumption has also been reported this year. Although TOMRA does not consume a significant amount, it recognizes that water is a valuable commodity that many stakeholders are interested in and as a result, TOMRA has decided to include it going forward.
## CLIMATE CHANGE ACCOUNT

### CARBON DIOXIDE EMISSIONS FROM OPERATIONS

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<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emission from stationary sources (Scope 1)</td>
<td>3,200</td>
<td>2,900</td>
</tr>
<tr>
<td>Heating oil</td>
<td>400</td>
<td>800</td>
</tr>
<tr>
<td>Natural gas</td>
<td>1,800</td>
<td>1,100</td>
</tr>
<tr>
<td>Propane</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Emission from purchased grid electricity (Scope 2)</td>
<td>3,000</td>
<td>2,900</td>
</tr>
<tr>
<td>Norway</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Europe EU25</td>
<td>900</td>
<td>900</td>
</tr>
<tr>
<td>North America</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Rest of World</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total direct emissions (tonnes CO2)</td>
<td>25,800</td>
<td>27,700</td>
</tr>
</tbody>
</table>

### ENERGY CONSUMPTION

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption, stationary sources (Scope 1)</td>
<td>2,900</td>
<td>2,300</td>
</tr>
<tr>
<td>Heating oil</td>
<td>900</td>
<td>1,900</td>
</tr>
<tr>
<td>Natural gas</td>
<td>1,600</td>
<td>0</td>
</tr>
<tr>
<td>Propane</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Energy consumption, purchased grid electricity (Scope 2)</td>
<td>10,600</td>
<td>10,500</td>
</tr>
<tr>
<td>Norway</td>
<td>2,400</td>
<td>2,400</td>
</tr>
<tr>
<td>Europe EU25</td>
<td>3,400</td>
<td>2,600</td>
</tr>
<tr>
<td>North America</td>
<td>5,700</td>
<td>5,500</td>
</tr>
<tr>
<td>Rest of World</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Total direct energy consumption</td>
<td>61,400</td>
<td>58,700</td>
</tr>
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</table>

### WATER CONSUMPTION

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>16,800</td>
<td>16,200</td>
</tr>
<tr>
<td>Norway</td>
<td>2,600</td>
<td>2,500</td>
</tr>
<tr>
<td>Europe EU25</td>
<td>10,800</td>
<td>10,600</td>
</tr>
<tr>
<td>North America</td>
<td>3,150</td>
<td>3,300</td>
</tr>
<tr>
<td>Rest of World</td>
<td>250</td>
<td>200</td>
</tr>
<tr>
<td>Total direct and indirect energy consumption</td>
<td>221,500</td>
<td>213,200</td>
</tr>
</tbody>
</table>

### NOTES

Emissions have been calculated using the GHG Protocol calculation tools ([www.ghgprotocol.org](http://www.ghgprotocol.org)), and ‘Waste Management Options and Climate Change’ ([ec.europa.eu/environment/waste/studies/pdf/climate_change.pdf](http://ec.europa.eu/environment/waste/studies/pdf/climate_change.pdf)).

1. Beverage container collection through RVMs, TOMRA Collection (Reverse Vending)
   - Calculated carbon dioxide savings based on the total number of beverage containers collected through TOMRA’s over 70,000 RVM installations: more than 35 billion units annually. All glass beverage containers are assumed to be non-refillable, giving significantly lower assumed mass. Split between packaging types is based on beverage consumption data and TOMRA estimates. The full benefit of collecting and recycling the beverage containers into new material, versus landfill, is included in the calculation.

2. Packaging material transport and handling, TOMRA Collection (Material Recovery)
   - Carbon dioxide savings based on the tonnage of beverage container material transported and handled by TOMRA in USA. The full benefit of collecting and recycling beverage containers into new material, as opposed to landfill, is included in the calculation, meaning that some of the saving is also included under ‘Beverage container collection through RVMs’.

3. Material sorted for recycling from mixed sources, TOMRA Sorting (Recycling)
   - Estimated material throughput in Timetech installations is used in the calculation of avoided carbon dioxide emission. The full benefit of sorting materials and recycling into new is included in the calculation.

4. Reduction of transport due to material compaction, TOMRA Collection (Compaction)
   - It is estimated that the installed base of BOWAK products can compact around 10 million tonnes of material daily, reducing both transport kilometers and fuel usage each year. This is estimated to save over 20,000 transport movements each day. This calculation does not take into account the carbon dioxide benefit of material recycling.

The provision of information on carbon dioxide emission avoidance is illustrative only, and intended solely as an aid to illustrate the benefit to society generated by the TOMRA Group. The above information does not constitute a full Life Cycle Analysis. The methodology and assumptions used in calculating carbon dioxide avoidance are available upon request.

### CLIMATE CHANGE ACCOUNT

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emission from purchased grid electricity (Scope 2)</td>
<td>3,000</td>
<td>2,900</td>
</tr>
<tr>
<td>Norway</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Europe EU25</td>
<td>900</td>
<td>900</td>
</tr>
<tr>
<td>North America</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Rest of World</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total direct emissions (tonnes CO2)</td>
<td>19,600</td>
<td>21,900</td>
</tr>
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### WATER CONSUMPTION

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water generated</td>
<td>3,520</td>
<td>3,190</td>
</tr>
<tr>
<td>Paper</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cardboard</td>
<td>170</td>
<td>140</td>
</tr>
<tr>
<td>Plastics</td>
<td>850</td>
<td>970</td>
</tr>
<tr>
<td>Wood</td>
<td>190</td>
<td>420</td>
</tr>
<tr>
<td>Electric and electronic waste (incl. TOMRA products)</td>
<td>40</td>
<td>25</td>
</tr>
<tr>
<td>Expanded polystyrene</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Metal scrap</td>
<td>450</td>
<td>125</td>
</tr>
<tr>
<td>Batteries</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unsorted</td>
<td>1,820</td>
<td>1,710</td>
</tr>
</tbody>
</table>

### AVOIED CARBON DIOXIDE EMISSIONS THROUGH PRODUCT USE

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverage container collection through RVMs (1)</td>
<td>2,715,000</td>
<td>2,581,000</td>
</tr>
<tr>
<td>Plastic bottles</td>
<td>742,000</td>
<td>705,000</td>
</tr>
<tr>
<td>Glass bottles</td>
<td>556,000</td>
<td>481,000</td>
</tr>
<tr>
<td>Aluminum cans</td>
<td>1,444,000</td>
<td>1,363,000</td>
</tr>
<tr>
<td>Steel cans</td>
<td>33,000</td>
<td>32,000</td>
</tr>
<tr>
<td>Packaging material transport and handling (2)</td>
<td>915,000</td>
<td>852,000</td>
</tr>
<tr>
<td>Glass bottles</td>
<td>64,000</td>
<td>74,000</td>
</tr>
<tr>
<td>Aluminum cans</td>
<td>712,000</td>
<td>637,000</td>
</tr>
<tr>
<td>Plastic bottles, PET</td>
<td>112,000</td>
<td>115,000</td>
</tr>
<tr>
<td>Plastic bottles, HDPE</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cardboard and fiber</td>
<td>5,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Material sorted for recycling from mixed sources (3)</td>
<td>18,531,000</td>
<td>16,847,000</td>
</tr>
<tr>
<td>Glass</td>
<td>83,000</td>
<td>76,000</td>
</tr>
<tr>
<td>Aluminum</td>
<td>3,743,000</td>
<td>3,403,000</td>
</tr>
<tr>
<td>PET</td>
<td>2,266,000</td>
<td>2,060,000</td>
</tr>
<tr>
<td>HDPE</td>
<td>397,000</td>
<td>381,000</td>
</tr>
<tr>
<td>Fiber</td>
<td>228,000</td>
<td>207,000</td>
</tr>
<tr>
<td>Non-Farmos metal</td>
<td>10,400,000</td>
<td>9,240,000</td>
</tr>
<tr>
<td>Other</td>
<td>1,650,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Reduction of transport due to material compaction (4)</td>
<td>336,000</td>
<td>320,000</td>
</tr>
<tr>
<td>Total emission avoidance</td>
<td>22,500,000</td>
<td>20,600,000</td>
</tr>
</tbody>
</table>
SOCIAL AND ETHICAL REVIEW

RESPONSIBLE BUSINESS
TOMRA is committed to doing business ethically and operates with zero-tolerance for corruption. As TOMRA continues to expand globally, it recognizes the importance of preparing for the new challenges that it is likely to meet in its growing business activities.

In 2013 amended guidelines were issued to employees who potentially face the highest risks when travelling for business reasons. The guidelines include travel restrictions and the precautions necessary when preparing to travel to areas defined as higher risk. TOMRA will continue to identify and implement other preventive measures to mitigate risk in its activities.

MEETING EMPLOYEE EXPECTATIONS
The TOMRA management team aims to attract and retain the best people to ensure the continued success of the company in the future.

As part of investing in the continuous development of employees, TOMRA launched its Group Talent Programme at the end of 2012. The selected candidates participate in four modules, focusing on different aspects of leadership, strategy, innovation and technology – generic skills for managing and leading the business as it grows. The first group will complete the program in June 2014. As a living brand, developing and retaining its talents is of great importance to TOMRA’s success and the Group Talent Programme aims to ensure continuous and sustainable business for TOMRA while enabling its people to progress and develop.

TOMRA also measures employee satisfaction to see if the expectations of current employees are being met. The results of the 2013 employee survey indicated that 80% of employees view TOMRA as a “great place to work,” a slight decrease from 2012. TOMRA has been transformed over the last couple of years by the move into Food sorting and the launch of “ONE TOMRA.” The integration process and related organizational changes have impacted a significant number of employees outside of Norway and this is reflected in the 2013 results for the Group. TOMRA continues to focus on building a shared culture based on its core values of Passion, Responsibility and Innovation, and its Group policies.

ECONOMIC IMPACT
TOMRA reports the value distributed to different stakeholder groups as a means of measuring the impact of its activities. These stakeholders include employees, shareholders and society in general.

In 2013 TOMRA created added value of over 1,800 MNOK and this was distributed to stakeholders as shown in the chart below.

TOMRA continuously strives to reduce the injury rate and has implemented additional measures to increase safety awareness over the past few years. The injury rate per full time equivalent continues to be low, although there was an increase in the number of incidents during 2013 – most of this was due to the adverse winter weather that resulted in more falls and car accidents.

SOCIAL AND ETHICAL REVIEW
IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE
At TOMRA, corporate governance is defined to include those processes and control features which have been established to protect the interests of TOMRA’s shareholders and other stakeholders such as employees, suppliers and customers. TOMRA’s Corporate Governance Policy has been approved by the Board of Directors and is available on TOMRA’s corporate website (www.tomra.com).

The Board of Directors has decided that TOMRA will comply with the Norwegian Code of Practice for Corporate Governance. As a result, this section is structured in the same way as the Code of Practice (which is available on www.nues.no.) The only known deviation from the Code is described under “General Meetings” below.

TOMRA’s values are described in its corporate vision, mission, core values and policies – which can be found on the TOMRA website.

TOMRA aims to lead the resource revolution, enabling better utilization of the world’s natural resources, and is committed to doing business ethically and with zero-tolerance for corruption. To support these aims, TOMRA has developed and implemented a Code of Conduct and Corporate Responsibility Statement. These and further information on TOMRA’s CR program can be found under “ABOUT US / Corporate Responsibility” on the TOMRA website.

BUSINESS DESCRIPTION
TOMRA is a leading global creator of sensor-based solutions for optimal resource productivity within the business streams of reverse vending, material recovery, compaction, recycling, mining, and food. The directors’ report describes the Group’s activities in more detail, including goals and main strategies, and the market is kept informed through investor presentations in connection with the quarterly reports and other events.

EQUITY AND DIVIDENDS
As of 31 December 2013, Group equity totaled NOK 2,823 million, an increase of 20 percent from last year. The equity percent is 50 percent.

TOMRA’s policy is to distribute 40 to 60 percent of the Group’s earnings per share as dividend. When deciding the annual dividend level, the Board takes into consideration expected cash flows, capital expenditure plans, financing requirements and the need for appropriate financial flexibility. For 2012, a dividend of NOK 1.25 was paid out per share (42 percent of EPS). For 2013, the Board has proposed a dividend of NOK 1.35 per share.

The Board’s authorizations to increase share capital and to buy back shares are limited to specific purposes and are granted for a period no longer than the next general meeting. The authorization is given by the Annual General Meeting. At the 2013 Annual General Meeting, the Board was granted the right to acquire and dispose up to 0.5 million treasury shares, for the purpose of fulfilling the employee share purchase program.

In addition, the Board was granted the right to issue up to 14.8 million shares in connection with any mergers and acquisitions.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES
TOMRA has only one class of shares and each share entitles the holder to one vote.

All transactions in own shares are performed on the market at market price, in accordance with good stock exchange practice in Norway.

Related party transactions are covered by TOMRA’s Code of Conduct, which also applies to Board members. Any member of the Board or Group management should immediately notify the relevant person, if a potential conflict of interest occurs. There were no material transactions between the company and related parties that required a third party evaluation during 2013.

FREELY TRADED SHARES
The shares of TOMRA Systems ASA are listed on the Oslo Stock Exchange and are freely negotiable.

GENERAL MEETINGS
In accordance with TOMRA’s Articles of Association, the AGM shall be held no later than the end of June each year, with at least 21 days written notice given to each shareholder. The 2013 AGM was held on 22nd April.

The Norwegian Code of Practice for Corporate Governance also recommends that appropriate arrangements are made for the annual general meeting to vote separately on each candidate nominated for election to the company’s corporate bodies. The Nomination Committee and the Board has decided (in line with most Norwegian companies) not to follow this recommendation, as the composition of these bodies is meant to cover an appropriate range of skills and backgrounds, and a separate election of each member could interfere with this intention. In addition, according to Norwegian law, the Board has to comprise of at least 40% female directors.

NOMINATION COMMITTEE
The nomination committee consists of three members elected for one year at a time by the General Meeting, as required by the Articles of Association. The charter for the Nomination Committee was last approved by the General Meeting in April 2011.

BOARD OF DIRECTORS
The TOMRA Board is composed of five shareholder elected directors and two employee representatives (who are not part of senior management). The shareholder elected directors are proposed by the Nomination Committee based on a number of criteria to ensure a broad range of abilities and experience. The shareholder elected directors are ultimately selected by the shareholders.

Four out of the five shareholder elected directors are independent. The fifth is Jan Svensson, CEO of Latour, TOMRA’s largest shareholder. The Board Committees consist of members of TOMRA’s Board, chosen by the board to reflect a balance of abilities and interests.

The Board held seven board meetings in 2013 and the attendance at the meetings was 100 percent. In addition, the audit committee held four meetings and the compensation and organizational development committee and the corporate responsibility committee both met twice during the year.

BOARD ACTIVITIES
The Board meets at least four times a year. In 2013 seven board meetings were held, of which two were by phone. Instructions for the Board and charters for each of the Board committees have been prepared and duly approved by the relevant body. An Audit Committee, a Compensation and Organizational Development Committee and a Corporate Responsibility Committee have been established to assist the Board of Directors in fulfilling its responsibilities.

RISK MANAGEMENT AND INTERNAL CONTROL
Internal Control Environment and Risk Management Systems
The Board is ultimately responsible for TOMRA’s systems of internal control and for reviewing their effectiveness. Responsibility for individual areas of control has been allocated through the CEO down to the respective member of Group Management. The system is designed to manage, rather than eliminate, the risk of failing to achieve business and financial reporting objectives. The system can therefore only provide a reasonable, but never absolute, assurance against material errors, flaws or losses.

Processes exist for identifying, evaluating and managing material risks. Methods used by the Board and the Audit Committee to evaluate the quality of the corporation’s internal control include:

- Review of the auditing plans for both the external and internal audit
- Review of reports from management as well as internal and external auditors on the systems of internal control and any weaknesses identified
- Discussions with management concerning the actions to be taken to address problem areas
The Audit Committee includes two board members and all Board members receive minutes from each Audit Committee meeting. The main features of the risk and control framework are outlined below:

Risk Management
The Board is responsible for approving the Group’s strategy, its principal markets and the level of acceptable risk. It has ensured that appropriate risk management processes to identify the key risks facing the business have been implemented and that those risks are managed effectively.

Control Environment
An organizational structure with defined levels of responsibility and delegation of authority to appropriately qualified management has been established. A chart of authority documents each level of authority throughout the organization.

Matters reserved for the Board are clearly defined and appropriate authorization limits and reporting procedures have been implemented.

TOMRA’s quality and environmental management systems are based on the international ISO 9001 and ISO 14001 management systems standards. TOMRA’s primary R&D and production units have been certified according to these standards. This ensures that its internal systems and procedures are aligned with international “best practice” and that responsibility and authority for all important tasks is appropriately allocated.

Control Activities
Internal control procedures have been tailored to the requirements of individual business activities.

Controls for areas possessing particularly high inherent risk, include clear guidelines for delegation of authority, segregation of duties, and requirements for regular reporting and reviews.

The Audit Committee assists the Board in monitoring the process for identifying, evaluating and managing risks, considering internal and external audit reports, and reviewing the Group’s financial statements.

Monitoring Systems
Line management is responsible for the operation of internal control routines and these routines are subject to independent review by internal audit and, where appropriate, by the corporation’s external auditor and external regulators. The reports of all these bodies on internal control are reviewed by the Audit Committee on behalf of the Board. The Audit Committee ensures that, where necessary, appropriate corrective action is taken.

Internal audits are performed by the Group Controller and the Group Accounting Manager. In their roles as internal auditors they report directly to the Audit Committee. The internal audit team carries out independent assessments of risk and the adequacy of related internal controls within the corporation. Findings and recommendations for strengthening the control framework are agreed with local management and the implementation of agreed changes is monitored by the internal audit team. The Audit Committee reviews the internal audit findings and proposals concerning improvements to material areas, coverage and performance and considers significant findings and recommendations. The internal audit team has unrestricted access to all records, personnel and property of the corporation to collect such information as is necessary for the performance of its work.

The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the corporation’s systems of internal control for 2013 and the period leading up to the presentation of the 2013 financial statements. As might be expected in a corporation of TOMRA’s size and complexity, a small number of deviations were identified during the period under review. Actions to rectify identified inconsistencies have been taken.

Financial Reporting
TOMRA Group prepares and presents its financial statements in accordance with current IAS/IFRS 5 rules. Each company prepares monthly accounts and the financial data is consolidated and checked at several levels before being presented to Group Management. Additional reporting is required for the preparation of quarterly and annual financial statements. Information and training on accounting issues and TOMRA’s reporting process is provided through TOMRA’s Finance seminar and local events.

Remuneration to Members of the Board
The General Meeting sets the Board’s annual remuneration based on a proposal from the Nomination Committee. Note 14 of the Financial Statements discloses all remuneration to board members and senior executives.

Principles for Remuneration of Senior Executives 2010–2014
The term “senior executives” applies to the CEO and other members of Group management.

Salary and other employment terms for senior executives shall be competitive to ensure that TOMRA can attract and retain skilled leaders. Salary should include both fixed and variable elements. The fixed salary should reflect the individual’s area of responsibility and performance over time. Principles for remuneration shall be allowed to vary in accordance with local conditions. The remuneration structure shall be based on such factors as position, expertise, experience, conduct and performance. The variable salary shall not exceed 50% of the fixed annual salary and be based on the achievement of specific performance targets by TOMRA Group and/or the respective manager’s unit. The Board has appointed a Compensation Committee that is headed by the Chairman of the Board and monitors decisions on matters regarding remuneration and terms and conditions for senior executives. The performance goals for the CEO are presented to the Board by the Chairman of the Board and approved by the Board. Goals for the other senior executives are determined by the CEO and reviewed by the Compensation Committee. The goals are operational related to financial targets, such as profit from operating activities, return on capital employed and market related performance objectives.

The CEO’s remuneration package, and any adjustments thereof, are agreed among the CEO and the Chairman and approved by the Board. The remuneration packages for the other senior executives, including adjustments of these, are agreed between the CEO and the respective manager. The terms of these agreements are reviewed first by the Compensation Committee and finally by the Board of TOMRA.

In April 2010, TOMRA established a cash-based Long Term Incentive Plan (LTIP), where managers could receive a bonus based upon the return rate that the company generates for its shareholders measured against NASDAQ. Earnings should only be applied to the LTIP if TOMRA, dividend adjusted, exceeded NASDAQ by at least 9 percent, during the period 22 April 2010 to 31 December 2012. Earnings were capped at one times the fixed salary level per year which was reached at 13.5 percent over-performance. 25 percent of the earnings before tax (~50 percent of earnings after tax) must be placed in TOMRA’s stock when realized, as long as the manager’s total shareholding is less than 75 percent of his/her yearly base salary. The shares have to be kept for a minimum of three years. If sold before, all proceeds from the sale belong to TOMRA. The over-performance in the period 22 April 2010 to 31 December 2012 was 62.5 percent. Management had consequently full earnings under this plan in 2012. For 2013 the dividend adjusted performance of the TOMRA share needed to exceed NASDAQ by at least 2.5 percent in the period 31 December 2010 to 31 December 2013 to generate earnings under the plan (full earnings if over performance exceeded 20.0 percent). Dividend adjusted, TOMRA under-performed by 4.3% in the period between 31 December 2010 to 31 December 2013, consequently no earnings were paid out under this plan in 2013.

For 2014, the dividend adjusted performance of the TOMRA share needs to exceed NASDAQ by at least 2.5 percent in the period 31 December 2011 to 31 December 2014 to generate earnings under the plan. Full earnings will be achieved if the over-performance exceeds 20 percent. Earnings are calculated linearly between 2.5 percent and 20 percent.

The Board is currently evaluating whether the system will be modified starting 2015 to an EPS based system, where earnings are made based upon improvement in the EPS.

In addition to fixed and variable salary, other benefits such as company car, health insurance, interest- and installment free loans, newspaper and telephone might be provided. The total value of these benefits should be modest and only account for a limited part of the total remuneration package.

Senior Executives participate in the same pension plans as other employees within the unit in which they are employed. No special pension plans are established for senior executives, except in the event a pension plan had been established in a company prior to being acquired by TOMRA, and the senior executive participated in the plan on the date of acquisition. The notification period for senior executives shall be three to six months, with the exception of members employed in the US, where fixed length contracts may be utilized.

The CEO is entitled to 12 months’ severance pay due to termination by the company. No agreements shall be established that provide members of senior executives any automatic right to more than 24 months of severance pay. A detailed account of the remuneration of each member of senior executives, including the LTIP, is available in note 14 in the financial statements.

The principles and guidelines for management remuneration for 2014 have not changed materially from those approved in 2013, which were presented to the general assembly in April 2013. The policies concerning remuneration of senior executives and the setting of salaries have been in line with the established guidelines throughout 2013.

Information and Communication
TOMRA provides investors with financial and other information through various reports and other presentations. This information is freely available to interested parties in the “Investor Relations” section of the TOMRA website along with the financial calendar for 2014.

Takeovers
TOMRA’s guidelines and practices are in line with the Norwegian Code of Practice for Corporate Governance.

Auditor
The independent auditor is elected by the general meeting and is responsible for auditing the Group accounts. The independent auditor attends the meetings of the Audit Committee and also presents a plan for each year’s audit. The independent auditor also meets with the Board of Directors at least once each year without the presence of TOMRA Group Management.
TOMRA BOARD OF DIRECTORS

SVEIN RENNEMO (B. 1947)
Chairman of the Board since 2009
Master’s degree Economics, University of Oslo 1971.
Previous experience: Petroleum Geo-Services ASA (CEO), Bonafides A/S (CEO, CFO), Statoil (President Petrochemicals).
Number of TOMRA shares: 0
Other board memberships: Statkraft ASA (Chairman)

BERND H.J. BOTHE (B. 1944)
Senior Partner, Hann & Company GmbH
Board member since 2010.
Diplom Betriebswirt, College for Trade and Industry, Cologne.
Previous experience: CEO, Droger & Company (2002-2016); Chairman and CEO of Metro Cash & Carry division, Metro AG (1992-2002); Member, Exec. BoD, Kaufhof Holding AG (1988-2002); Vice Chairman of Klienbaum Consulting Group and Chairman of the Management Consulting division and various positions (1973-88).
Number of TOMRA shares: 0
Other board memberships: Member, Industrial Advisory Board, Industri Kapital AB; Member, Supervisory Board, Spar Österreichische Warenhandels-AG; Vice Chairman, Supervisory Board, H&E Reinert Group; Non-Executive Member of the Board and Member of the Audit & Finance Committee, Sonae SGPS, SA.

IAN SVENSSON (B. 1956)
CEO of Investment AB Latour
Board member since 2012. MSc. Economics and Business Administration, Stockholm School of Economics, 1981.
Number of TOMRA shares: 3,000
Other board memberships: Publicly listed Nederman Holding AB (Chairman), Fagerhult AB (Chairman), Assa Abloy AB (member), Loomis AB (member), Not listed: Dixon (Chairman)

ANIELA GABRIELA GJØS (B. 1959)
Senior VP Supply Chain TINE SA
Board member since 2008.
Master of Science in Industrial Organization & Management, Silesian University of Technology, and BI Norwegian School of Management.
Number of TOMRA shares: 11,500
Other board memberships: Member of Nomination Committee NHO

BODIL SONESSON (B. 1968)
VP Global Sales, Axis Communications
Board member since 2013. Master’s degree in International Finance, University of Lund and Konstanz University in Germany.
Previous experience includes employment with Lars Webib AB.
Number of shares in TOMRA: 0
Other board memberships: The Swedish Chamber of Commerce

INGRID SOLBERG (B. 1972)
Employee representative
Board member since 2009.
Number of TOMRA shares: 5,479
Other board memberships: None.

DAVID WILLIAMSON (B. 1959)
Employee representative
Board member since 2008.
Number of TOMRA shares: 648
Other board memberships: None.

HIGHLIGHTS AND SUMMARY

After three consecutive years with significant revenue growth, TOMRA continued to grow in 2013, mainly due to the full year effect of the BEST acquisition completed in July 2012.

Operating revenues of NOK 4,602 million represent a growth of 13 percent compared 2012. Adjusted for currency effects and acquisitions, growth was 1 percent.

Gross margin decreased from 46 percent in 2012 to 43 percent in 2013, mainly due to product and market mix effects in both business areas.

EBITDA was down from NOK 759 million in 2012 to NOK 706 million in 2013, due to lower gross margins.

Ordinary cash flow from operations of NOK 567 million, up from NOK 550 million in 2012.

TOMRA maintained a strong position in the deposit markets. Revenues in TOMRA Collection Solutions increased from NOK 2,649 million in 2012 to NOK 2,818 million in 2013, equal to 3 percent growth after adjusting for currency changes.

At the end of third quarter 2013, TOMRA announced the launch of T-9, the first of a new generation of reverse vending machines (RVM) based on TOMRA Flow Technology. T-9 features the first ever 360-degree recognition system applied inside an RVM.

Adjusted for currencies and acquisitions, TOMRA Sorting Solutions reported 4 percent lower revenues in 2013 than in 2012. During the year, Best has been integrated and the business area has been organized into three business streams: Food, Recycling and Mining.

Several new products were launched, cross-utilizing technologies developed within the different business streams.

Order backlog in TOMRA Sorting Solutions decreased from NOK 525 million at the end of 2012 to NOK 475 million at the end of 2013.

The share price increased from NOK 50.25 to NOK 56.50 during 2013. Adjusted for dividend, the TOMRA stock provided a shareholder return of 15 percent in 2013.

TOMRA shares were traded on the Oslo Stock Exchange, compared to 48 million in 2012.

The Group finished 2013 with a strong balance sheet and a solid foundation for further growth.

The Board has proposed a dividend of NOK 1.35 for 2013, up from NOK 1.25 last year.
DIRECTORS’ REPORT 2013

FINANCIAL PERFORMANCE
Operating revenues amounted to NOK 4,602 million in 2013, an increase of 13 percent in relation to 2012. Adjusted for acquisitions and currency effects, operating revenues increased by 1 percent.

EBITA was NOK 706 million in 2013, down from NOK 739 million in 2012. During 2013, NOK weakened against both EUR and USD, and this combination had a positive effect on EBITA, estimated at about NOK 27 million compared to 2012. Adjusted for currencies and the BEST acquisition, EBITA decreased 14 percent.

Net financial items changed from minus NOK 39 million in 2012 to minus NOK 47 million in 2013, due to the full-year effect of financing the BEST acquisition. Taxes decreased from NOK 153 million in 2012 to NOK 139 million in 2013. The equity ratio increased during 2013 from 46 percent to 50 percent, partly due to 2013 earnings, but also positively influenced by positive translation differences of NOK 300 million (as increased value of assets in foreign currencies improves the equity when measured in NOK).

Net profit after taxes (profit from continued operations) was NOK 422 million in 2013, down from NOK 478 million in 2012. Ordinary cash flow from operations was NOK 567 million in 2013, compared to NOK 550 million in 2012. Cash flow from regular investments (not including acquisitions and divestments) was negative NOK 234 million, compared to negative NOK 209 million in 2012.

Cash flow from financing ended at negative NOK 362 million, including dividend payments of NOK 185 million. Total assets as of 31 December 2013 amounted to NOK 5,623 million. This represents an increase of 9 percent in relation to total assets at the beginning of the year. The increase is explained by the fluctuation in currency exchange rates, as more than 90 percent of TOMRA’s assets are nominated in foreign currencies – USD (up 9 percent in 2013) and EUR (up 14 percent in 2013) being the most important ones. The equity ratio increased during 2013 from 46 percent to 50 percent, partly due to 2013 earnings, but also positively influenced by positive translation differences of NOK 300 million (as increased value of assets in foreign currencies improves the equity when measured in NOK).

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The Board of Directors recommends a dividend distribution of NOK 1.35 per share (53 percent of EPS), up from NOK 1.25 in 2012.

DIVIDEND
The aim is to distribute 40 percent to 60 percent of the Group’s earnings per share. When deciding the annual dividend level, the Board has taken into consideration expected cash flows, capital expenditure plans, financing requirements and the need for appropriate financial flexibility. The Board of Directors recommends consequently a dividend distribution of NOK 1.35 per share (53 percent of EPS), up from NOK 1.25 in 2012.
Tomra Systems ASA reported a slight increase in operating revenues from NOK 860 million in 2012 to NOK 863 million in 2013.

Reverse Vending Machines are produced by third parties in Poland and at the wholly owned subsidiary Tomra Production AS in Norway. The machines are sold via the parent company to subsidiaries and distributors, primarily in Europe and North America. Activity within the parent company reflects therefore the level of sales of machines and parts to end-customers within the Reverse Vending segment. The number of RVMs sold in 2013 was stable, compared to 2012.

Profit before taxes was down from NOK 252 million in 2012 to NOK 154 million in 2013, mainly due to no dividend taken from subsidiaries in 2013 (compared to NOK 48 million in 2012) and higher interest expenses (full year financing of the BEST acquisition).

Tomra Sorting AS, a subsidiary of Tomra Systems ASA and holding company for the Sorting entities within TOMRA Group, was in November 2013 given a capital injection of NOK 1,588 million, by reducing intra-Group loans. The injections were motivated by the upcoming legal changes in Norway that limit the deduction for intra-Group interest charges and a need for stronger capitalization of the subsidiary, following the acquisitions in recent years.

Disposition of 2013 profit
The 2013 net profit should be allocated as follows:

Dividend: NOK 199.5 million
From retained earnings: NOK 89.3 million
Total allocation: NOK 110.2 million

The Board of Directors believes that there is no reasonable cause to question the ability of TOMRA Group and the parent company to continue its operations in the foreseeable future and hence confirms that the accounts have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) for TOMRA Group and Norwegian accounting principles (NGAAP) for Tomra Systems ASA.

In 2013 revenues within the Collection Solutions business area amounted to NOK 2,818 million, up from NOK 2,649 million in 2012.
In 2013, the TOMRA Sorting Solutions business area accounted for 39 percent of the Group’s total operating revenues, up from 35 percent in 2012 and 25 percent in 2011.

After first mainly operating in the market of plastic and paper recycling, TOMRA expanded in 2006 into metal recycling, and in 2008 into mining (ore-sorting), where TOMRA technology now increases the efficiency and lifetime of mines. In 2011 and 2012, in line with this strategy, TOMRA took a new step forward with its entry into the food sorting industry, where our proven recognition technology is now utilized to sort food based on quality, size and other characteristics. TOMRA has consequently gone through several stages of transformation, where the recycling industry now is only one out of several industries where TOMRA will have a presence going forward.

In order to maximize synergies among the acquired entities and meet its customers’ and the world’s challenges and opportunities, TOMRA has merged the existing brands under one strong and unified brand – One TOMRA, under the redefined mission to create sensor-based solutions for optimal resource productivity, focused on the optimization of customers’ resource use. With increasing world population and higher consumption levels, it is clear that resource productivity must increase on a global scale to ensure sustainable development. Society is at the dawn of a resource revolution, and TOMRA’s vision statement, “Leading the resource revolution,” is what the company is doing by extending its reach to include business streams that create solutions within food sorting, mining, compaction, recycling and material recovery. Focusing on resource optimization, process efficiency, and interconnectivity of systems that help customers improve financial results and reduce environmental impact.

TOMRA’s path forward is to improve the world’s understanding of the benefits of creating and investing in solutions that can move us past the false choice between earth and economy (change mindsets to act and move), producing new work opportunities to ensure competitiveness, growth and work with purpose while fostering a culture that both inspires and motivates its people and customers.

2013 has been the first full year of operating with the new structure comprising two business areas and six business streams:

**TOMRA Collection Solutions (TCS):**
- Reverse Vending (Development, production, sales and service of reverse vending machines and related data management systems)
- Material Recovery (pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers in the US East Coast and in Canada)
- Compaction (Small and mid-size compaction machines)

**TOMRA Sorting Solutions (TSS):**
- Food (Sorting and processing technology for the fresh and processed food industries)
- Recycling (Sorting systems for waste and metal material streams)
- Mining (Ore sorting systems for the mining industry)

In 2013, the TSS business area accounted for 39 percent of the Group’s total operating revenues, up from 35 percent in 2012 and 25 percent in 2011. The percentage is expected to increase in the years to come, as TOMRA pursues a strategy of expanding its recognition and sorting technology and competence into new areas.

**TOMRA Collection Solutions**

TOMRA’s activities within this business area are primarily the development, production, sale, lease and service of automated recycling systems in Europe and North America, including data administration systems which monitor the volume of collected materials and associated deposit transactions. In 2013 revenues within this business area amounted to NOK 2,818 million, up from NOK 2,649 million in 2012. Adjusted for currency changes, revenues increased by 3 percent.

Gross contribution decreased from 43 percent to 42 percent, due to changes in both product and market mix. EBITA increased from NOK 516 million to NOK 531 million. Currency adjusted, profit was down 2 percent.

TOMRA’s customers within this segment are primarily in the food retail industry in Europe and USA, an industry that is relatively unaffected by financial downturns since the consumption of food and beverages remains fairly stable through economic cycles. Food retail chains in general consider a well-functioning container return system to be an important competitive advantage, as consumers tend to choose which store they go to based upon the convenience and reliability of a store’s return facilities. This applies both in times of economic upturn and downturn. With approximately 50 percent of the segment’s revenues originating from service, and a significant part of the new machine sales being replacement, the year over year change in activities will normally be limited.

Within Reverse Vending, TOMRA operates with two different business models in North America. One is a sales model, where machines are sold to the food retail stores in the same way as in Europe; the other is a through-put lease model, where TOMRA maintains ownership of the installed machines and receives payment based on the number of containers handled by the machines. The installed base for the two models at the end of 2013 was close to 9,000 machines on operational lease and a somewhat lower number for machines sold.

In addition to the Reverse Vending business, TOMRA operates with two different business models in North America. One is a sales model, where machines are sold to the food retail stores in the same way as in Europe; the other is a through-put lease model, where TOMRA maintains ownership of the installed machines and receives payment based on the number of containers handled by the machines. The installed base for the two models at the end of 2013 was close to 9,000 machines on operational lease and a somewhat lower number for machines sold.

In September, TOMRA announced the launch of T-9, the first of a new generation of reverse vending machines (RVM) based on TOMRA Flow Technology. T-9 features the first ever 360-degree recognition system applied inside an RVM and enables faster and cleaner collection of beverage containers, including containers that until now could not be collected in RVMs.

The machine is improving consumer experience due to its increased capacity and leads consequently to shorter queues during peak hours in the stores.

The market for smaller vertical balers, where TOMRA Compaction is a key player in Europe, was relatively stable in 2013. Revenues were slightly up and profit for the unit was unchanged from 2012.
TOMRA SORTING SOLUTIONS

TOMRA Sorting Solutions is a global market leader in sensor-based sorting solutions. The technology is currently applied in the food, recycling and mining industries. In Food, our scanners sort items based on size and quality in addition to removing foreign objects – increasing the yield and improving food safety. Within Recycling, TOMRA’s solutions allow material processing facilities to sort larger amounts of materials such as plastic and paper at a lower cost and with greater precision than with traditional labor-intensive methods. In Mining, TOMRA’s machines enable the customer to perform advanced recognition and sorting of high value materials such as metals, minerals and gem stones.

TOMRA has historically been the market leader within Recycling and Mining, a position it also achieved within food sorting by acquiring Odenberg Engineering (ODENBERG) in January 2011 and Best Kwadrant (BEST) in June 2012. TOMRA Sorting Solutions is now the world’s leading provider of sensor-based systems for material recognition and sorting. At the end of 2013, more than 10,000 systems had been installed in 80 countries on all continents.

TOMRA Sorting Solutions experienced a significant decline in revenues and profits in 2009. Back then, the most important customer group in this segment was waste management companies that have business models which to a certain degree are focused on extracting the commodity value which waste material represents. During times of falling commodity prices, sorting and recycling become less profitable and consequently the demand for equipment to execute these tasks also declines. Access to capital also became more difficult for many customers in 2009, which also negatively impacted their ability to invest in equipment. During 2010, the segment experienced a strong rebound, as commodity prices again climbed. The rebound continued through 2011 and 2012. In 2013, revenues for business area Sorting equalled NOK 1,784 million, up from NOK 1,424 million in 2012. Adjusted for currency changes and the BEST acquisition, revenues were however down 4 percent. The reduced revenue is mainly explained by lower activity within Recycling, which has been negatively influenced by lower material prices.

Gross margins were down from 51 percent in 2012 to 45 percent in 2013. This is explained by full year effect of BEST (which has mainly sold via agents and has consequently had a slightly lower gross margin), combined with change in product, and market mix. As a result, EBITA was NOK 199 million, down from NOK 243 million in 2012.

TOMRA Food signed in 2012 contracts with a total value of USD 18.5 million for optical sorting and peeling equipment for a new high capacity food processing plant in the US. The order was mainly delivered in 2013. TOMRA Sorting started consequently 2013 with a high order backlog, which included this order. Throughout the second and third quarter 2013, the order backlog decreased as new orders did not compensate for the reduction when this order was being delivered. Order intake improved however during fourth quarter 2013, and the backlog at the end of 2013 was NOK 475 million, down from NOK 525 million at the beginning of the year.

After several acquisitions, the main focus in 2013 has been to consolidate and streamline activities, leveraging synergies and harmonizing the use of technologies. As part of this process, the ODENBERG Freezing and Chilling product group was disestablished in February 2013, concluded as non-core to TOMRA’s future growth plans. The Freezing and Chilling business was active in the design and manufacturing of systems for the freezing and chilling of boxed products, like poultry, ice cream and ready-made meals. The business had been operated mostly on its own, with little overlap of customers and technology with other parts of the Food business stream. The product group recorded revenues of EUR 7 million in 2012. The transaction did not have any significant P/L, B/S or cash flow impact, and has been reported under continued operations in both 2012 and 2013.

Cross-utilizing technologies between the business streams is a key to success within TOMRA Sorting, and during 2013 several new products were launched, where cross-utilisation has been instrumental in achieving the quality, speed and functionality targeted. Some examples are:

+ Field potato sorter: NIR recognition system (from the Titech recycling portfolio) is utilized in potato sorters (from Odenberg food portfolio), allowing efficient removal of rocks, dirt and rotten potatoes before the potatoes are stored.

+ PRO Laser Duo sorter: Laser technology (from the BEST food portfolio) is utilized in mining sorters, allowing detection of all colors of quarts, including gold bearing quartz mineralization.

+ Nimbus RSI: NIR sensors have been added to the existing portfolio of Nimbus machines (from the BEST food portfolio), increasing competitiveness in the nuts segment.

Other important projects have been to establish a common sorting platform, standardizing software, hardware and modules across business streams and product lines. When finished, machines shall be based on the same platform, regardless of sorting task, enabling TOMRA to take advantage of synergies and economies of scale in the development, production and service of its sorters.

To further improve operational efficiency and productivity, the integration program will continue in 2014. This includes centralizing all process analytics activities in Belgium (moving it from Ireland, Germany and Norway), relocating R&D activities from Ireland to Belgium, centralizing Service for Benelux in Belgium and a proposal to move production activities from Belgium to Slovakia. The process should be completed by the end of 2014.

Research and development activities are a high priority at TOMRA. R&D has a central role in the development of the individual technology units, and is closely connected to the local markets in order to ensure that TOMRA maintains its technological advantage. Research and development activities of NOK 211 million were expensed in 2013. The comparative figure for 2012 was NOK 205 million. In addition NOK 43 million was capitalized (2012: NOK 26 million). These activities were directed primarily toward the development of automated return systems (TOMRA Collection Solutions) in addition to further development of recognition and sorting technology in TOMRA Sorting Solutions.

TOMRA SORTING SOLUTIONS

ANNUAL REPORT 2013
TOMRA makes a significant contribution to a cleaner and more sustainable world through its products and services.

FINANCIAL RISK
The Board of Directors is focused on ensuring that there is a systematic and considered approach to managing risk within all segments of the corporation, and views this as a prerequisite for long-term value creation for the company’s shareholders, employees, and other stakeholders. Opportunities for growth shall always be weighed up against the associated risks. TOMRA faces normal business risks related to contractual agreements with, for example, customers and suppliers. In addition there are several macro trends that can affect the industry in which TOMRA operates. A reduction in recycling targets and ambitions, as well as falling material commodity prices, would negatively influence TOMRA as the need for advanced recycling technology would become less obvious.

TOMRA’s operations are also influenced by political decisions, specifically with regard to deposit legislation. If a country or state decides to remove its existing deposit system there will be limited incentives for TOMRA’s customers to maintain current or invest in new TOMRA equipment. In some markets, like for example in the United States, an elimination of the deposit legislation would immediately dissolve the foundation for TOMRA’s daily operations. On the other hand, the implementation or expansion of deposit systems in a country or state would create new growth opportunities for TOMRA.

CORPORATE RESPONSIBILITY AND GOVERNANCE - OUR SOCIAL AND ENVIRONMENTAL ENGAGEMENT
TOMRA makes a significant contribution to a cleaner and more sustainable world through its products and services. As a result, TOMRA has always had a significant focus on the environment, measuring and reporting its environmental performance since 1998. As TOMRA expands its focus to address the other corporate responsibility (CR) areas, the Board supports TOMRA’s membership of the UN Global Compact, which provides a recognized framework for integrating CR principles into operations and strategies. This annual report forms the basis of TOMRA’s Communication on Progress, required annually by the UN Global Compact.

TOMRA Systems ASA is also certified according to the ISO 14001 standard for environmental leadership. TOMRA’s five-year environmental program has been expanded to include other CR topics, with particular focus on corruption and other risk areas. Further details of TOMRA’s corporate responsibility targets and impact on the environment are presented in TOMRA’s Corporate Responsibility report on pages 16-23 of this report.

ORGANIZATION, HEALTH AND SAFETY
The number of employees in the TOMRA Group was 2,520 at the end of 2013, up from 2,470 at the end of 2012. In Norway the number of employees increased from 269 at year-end 2012 to 270 at the end of 2013.

TOMRA facilitates equal opportunity for professional and personal development for all employees and does not discriminate on the basis of race, color, religion, gender, natural origin, age, disability, sexual orientation or veteran status. These are important principles which are firmly anchored in the company’s Corporate Responsibility Statement and the Code of Conduct and communicated to all employees.

Over 80% of TOMRA’s employees chose to participate in an international survey coordinated by the organization “Great Place to Work” in 2013, which also rates how well employees consider the company lives up to its principles. The feedback from employees is in general encouraging.

The Board of Directors considers the principles and guidelines the company has in place for discrimination and equal access to be sufficient, and that no further actions are necessary to satisfy legal requirements.

Female employees made up 18 percent of TOMRA’s workforce and held 16 percent of its management positions at the end of 2013, a change from 17 and 17 percent respectively in 2012. Three of TOMRA’s seven board directors are women.

The number of job-related injuries in TOMRA requiring medical attention beyond basic first aid was 116, up from 81 in 2012. Most of these instances occurred within TOMRA’s material recovery activities in the USA, which involve handling crushed glass and heavy lifting, although the increase versus 2012 can be attributed to adverse winter weather. TOMRA continuously strives to reduce the injury rate and has implemented further preventative measures after identifying more contributing factors. The absence rate due to illness in Tomra Systems ASA went down from 3.6 percent in 2012 to 2.4 percent in 2013.

TOMRA Systems ASA is certified according to ISO 9001 and this standard is used to guide the company’s quality assurance procedures. TOMRA also applies an internal management system that incorporates goal- and result-orientation throughout the entire organization, including performance and leadership evaluation.
CORPORATE GOVERNANCE - BOARD DEVELOPMENTS
TOMRA defines corporate governance as those processes and control structures which are established to protect the interests of the company’s shareholders and other stakeholder groups. TOMRA’s guidelines for corporate governance, core values and leadership principles are aligned to ensure sustainable development of the company. These guidelines include the role of the Board and its various committees, requirements concerning the impartiality of its board members, and board compensation. TOMRA’s corporate governance report can be found on pages 24-27 in this report. TOMRA’s corporate governance policy can be found on www.tomra.com.

At the ordinary general meeting 22 April 2013 Hege Norheim resigned after six year’s service and was replaced by Bodil Sonesson. The other Board members were re-elected. No other changes have been made to the composition of the Board during 2013.

The Board held seven board meetings in 2013 and the attendance at the meetings was 100 percent. In addition, the audit committee held four meetings and the compensation and organizational development committee and the corporate responsibility committee both met twice during the year.

PROSPECTS FOR THE FUTURE
Due to the recent expansion, the Group’s operations today are more robust and less dependent on individual markets than previously. Even if short-run fluctuations in the demand for TOMRA’s solutions may occur, the company will in the long run be able to capitalize on strong favorable macro trends both in the food processing and the recycling industry as well as other “machine vision” related industries. The trends include increased population, higher food prices, increased focus on food safety, limited resources, increasing per capita waste levels, higher energy prices, stricter waste recycling regulations, greater environmental awareness, and rising demand for commodities.

But even if the macro environment is assumed to work in TOMRA’s favor, short-term fluctuations should also be expected. In the global recession in 2009, with falling economic activity in many of TOMRA’s principal markets, TOMRA experienced lower activity in TOMRA Sorting Solutions. In 2010 and 2011 there was a rebound with increased activity. In 2012 and 2013 there were regional differences with slower development in the more traditional European markets, offset by higher activity outside Europe. At the start of 2014 the outlook is mixed, both geographically and by segment.

TOMRA’s guidelines for corporate governance, core values and leadership principles are aligned to ensure sustainable development of the company.
Almost all supermarkets in the established deposit markets have automated their return of bottles and cans. This segment sells sorting and processing solutions. Important customer groups include food processing companies, waste management companies and various types of industries (including mining). With food sorting being the most important business stream, the volatility in the segment is expected to be somewhat less cyclical than previously. The demand for food will in general be fairly stable through the cycles, consequently not significantly influencing our customers, even though margins can fluctuate between the markets and product lines within this business stream. As long as the regions TOMRA operates in do not experience significant recessions, it is assumed that Sorting Solutions will continue to grow in the years to come, though with quarterly and yearly fluctuations.

### ANNUAL REPORT 2013

**CURRENCY**

A weaker NOK is positive for TOMRA, both because the Group has significant activities abroad that are denominated in foreign currencies and appear therefore more profitable measured in NOK, and because TOMRA has a certain cost base in NOK tied to development activities and headquarters functions. For a broader review of currency sensitivities, refer to note 19.

**THE TOMRA SHARE**

The number of TOMRA shareholders decreased from 6,403 at the end of 2012 to 6,014 at the end of 2013. The amount of shares held by Norwegian residents at the end of 2013 was 23 percent, down from 24 percent at the end of 2012. The TOMRA share price rose from NOK 50.25 at the end of 2012 to NOK 56.50 at the end of 2013. Taking into account the dividend of NOK 1.25 paid out in May 2013, the total return on the TOMRA share was 15 percent in 2013. The return on the Oslo Stock Exchange in 2013 amounted to 24 percent.

A total of 37 million TOMRA shares were traded on the Oslo Stock Exchange in 2013, down from 48 million shares the year before. In December 2011, the Swedish company Investment AB Latour acquired Orkla’s 15.5 percent stake in TOMRA, becoming TOMRA’s largest shareholder. Latour continued to acquire shares during 2012 and 2013 and at the end of the year held 21.2 percent of the shares.

TOMRA values having a good dialogue with the investor market and has in recent years, including 2013, been named the best Nordic and/or Norwegian IR-company in its class several times in the annual awards presented by REGI/Burson-Marsteller (which are based on interviews of analysts and investors). The nominal value of each share is NOK 1. The total number of outstanding shares at year-end 2013 was 148,020,078, including 267,789 treasury shares held by TOMRA.

The Board wishes to encourage the company’s employees to invest in the company’s shares. A share purchase program was therefore established in 2008 that offers employees the opportunity to buy shares at current market rates, and for every five shares held for at least one year, one share is given free of charge. The Board will recommend at the general assembly that the program should be continued, limited to a total of 500,000 shares per year.

**FINANCING**

At year end TOMRA had committed credit lines of NOK 1,944 million, of which NOK 1,527 million was utilized. Beyond this the Group has an ongoing credit limit of NOK 50 million on its operating cash account. The first loan to expire is a NOK 50 million three-year term loan with Eksportfinans ASA, which is due in July 2014. At the end of 2013 TOMRA had a gearing ratio equal to 1.8 (Net interest-bearing debt/EBITDA, measured on 2013 performance).

Taking the company’s relatively stable cash flow, solid balance sheet and unrealized credit facility into consideration, the Board of Directors is of the opinion that the company has the necessary financial flexibility to take advantage of possible growth opportunities.
### INCOME STATEMENT

<table>
<thead>
<tr>
<th>Description</th>
<th>Tomra Systems ASA</th>
<th>NGAAP</th>
<th>Group</th>
<th>IFRS</th>
<th>2013</th>
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<td>Cost of goods sold</td>
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<td>Other operating expenses</td>
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<td>Financial income</td>
<td>37.7</td>
<td>57.6</td>
<td>8.0</td>
<td>10.0</td>
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<td>Financial expenses</td>
<td>51.4</td>
<td>54.4</td>
<td>54.5</td>
<td>46.6</td>
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<td>Net financial items</td>
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<td>40.0</td>
<td>46.5</td>
<td>38.6</td>
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<tr>
<td>Profit from associates</td>
<td>19.4</td>
<td>16.8</td>
<td>9</td>
<td>421.5</td>
<td>381.5</td>
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<tr>
<td>Total operating profit</td>
<td>21</td>
<td>2.55</td>
<td>2.98</td>
<td>412.4</td>
<td>477.7</td>
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<tr>
<td>Profit before taxes from continuing operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
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<tr>
<td>Loss from discontinued operations</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>153.6</td>
<td>251.8</td>
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<td>630.4</td>
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<td>40.9</td>
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<td>210.9</td>
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<td>184.7</td>
<td>21</td>
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<tr>
<td>Dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>-</td>
<td>-</td>
<td>37.7</td>
<td>44.0</td>
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<tr>
<td>Profit for the period</td>
<td>-</td>
<td>-</td>
<td>37.7</td>
<td>37.3</td>
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<tr>
<td>Profitable to:</td>
<td>-</td>
<td>-</td>
<td>412.4</td>
<td>477.7</td>
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#### Other comprehensive income

<table>
<thead>
<tr>
<th>Description</th>
<th>Group</th>
<th>IFRS</th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>Earnings per share, basic (NOK)</td>
<td>21</td>
<td>2.55</td>
<td>2.98</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, diluted (NOK)</td>
<td>21</td>
<td>2.55</td>
<td>2.98</td>
<td></td>
</tr>
<tr>
<td>Earnings per share from continuing operations, basic (NOK)</td>
<td>2.62</td>
<td>2.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share from continuing operations, diluted (NOK)</td>
<td>2.62</td>
<td>2.98</td>
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#### Non-controlling interests

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-controlling interest</td>
<td>643.2</td>
<td>302.9</td>
<td>2013</td>
</tr>
<tr>
<td>Total comprehensive income attributable to:</td>
<td>685.7</td>
<td>334.8</td>
<td>2013</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>643.2</td>
<td>302.9</td>
<td>2013</td>
</tr>
<tr>
<td>Total comprehensive income for the period attributable to:</td>
<td>685.7</td>
<td>334.8</td>
<td>2013</td>
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### BALANCE SHEET AS OF 31 DECEMBER

<table>
<thead>
<tr>
<th>Description</th>
<th>Tomra Systems ASA</th>
<th>NGAAP</th>
<th>Group</th>
<th>IFRS</th>
<th>2013</th>
<th>2012</th>
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<tr>
<td>Deferred tax assets</td>
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<td>39.8</td>
<td>11</td>
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<td>148.0</td>
<td>-</td>
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<tr>
<td>Treasury shares</td>
<td>918.3</td>
<td>918.3</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share premium reserve</td>
<td>918.3</td>
<td>918.3</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share premium reserve</td>
<td>918.3</td>
<td>918.3</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid-in capital</td>
<td>1,066.1</td>
<td>1,066.1</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>596.3</td>
<td>702.6</td>
<td>7</td>
<td>1,224.3</td>
<td>1,078.0</td>
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<tr>
<td>Other non-controlling interest</td>
<td>63.3</td>
<td>40.4</td>
<td>18</td>
<td>164.1</td>
<td>177.2</td>
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<tr>
<td>Total equity</td>
<td>2,261.9</td>
<td>2,043.7</td>
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</tr>
<tr>
<td>Treasury shares</td>
<td>918.3</td>
<td>918.3</td>
<td>-</td>
<td>-</td>
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<td></td>
</tr>
<tr>
<td>Share premium reserve</td>
<td>918.3</td>
<td>918.3</td>
<td>-</td>
<td>-</td>
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<tr>
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<td>-</td>
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<tr>
<td>Retained earnings</td>
<td>596.3</td>
<td>702.6</td>
<td>7</td>
<td>1,224.3</td>
<td>1,078.0</td>
<td></td>
</tr>
<tr>
<td>Other non-controlling interest</td>
<td>63.3</td>
<td>40.4</td>
<td>18</td>
<td>164.1</td>
<td>177.2</td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>2,261.9</td>
<td>2,043.7</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>5,623.2</td>
<td>5,159.0</td>
<td>-</td>
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#### Liabilities and Equity

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<th>Group</th>
<th>IFRS</th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>Share capital</td>
<td>148.0</td>
<td>148.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>918.3</td>
<td>918.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share premium reserve</td>
<td>918.3</td>
<td>918.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Paid-in capital</td>
<td>1,066.1</td>
<td>1,066.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>596.3</td>
<td>702.6</td>
<td>7</td>
<td>1,224.3</td>
</tr>
<tr>
<td>Other non-controlling interest</td>
<td>63.3</td>
<td>40.4</td>
<td>18</td>
<td>164.1</td>
</tr>
<tr>
<td>Total equity</td>
<td>2,261.9</td>
<td>2,043.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,623.2</td>
<td>5,159.0</td>
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#### Non-controlling interests

<table>
<thead>
<tr>
<th>Description</th>
<th>Group</th>
<th>IFRS</th>
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<th>2012</th>
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</thead>
<tbody>
<tr>
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<td>148.0</td>
<td>148.0</td>
<td>-</td>
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</tr>
<tr>
<td>Treasury shares</td>
<td>918.3</td>
<td>918.3</td>
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</tr>
<tr>
<td>Share premium reserve</td>
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<td>918.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Paid-in capital</td>
<td>1,066.1</td>
<td>1,066.1</td>
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<tr>
<td>Retained earnings</td>
<td>596.3</td>
<td>702.6</td>
<td>7</td>
<td>1,224.3</td>
</tr>
<tr>
<td>Other non-controlling interest</td>
<td>63.3</td>
<td>40.4</td>
<td>18</td>
<td>164.1</td>
</tr>
<tr>
<td>Total equity</td>
<td>2,261.9</td>
<td>2,043.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,623.2</td>
<td>5,159.0</td>
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### Other comprehensive income

<table>
<thead>
<tr>
<th>Description</th>
<th>Group</th>
<th>IFRS</th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>Earnings per share, basic (NOK)</td>
<td>21</td>
<td>2.55</td>
<td>2.98</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, diluted (NOK)</td>
<td>21</td>
<td>2.55</td>
<td>2.98</td>
<td></td>
</tr>
<tr>
<td>Earnings per share from continuing operations, basic (NOK)</td>
<td>2.62</td>
<td>2.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share from continuing operations, diluted (NOK)</td>
<td>2.62</td>
<td>2.98</td>
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</table>

### Financial statements

<table>
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<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
<th>Note</th>
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<tbody>
<tr>
<td>Attributable to:</td>
<td>643.2</td>
<td>302.9</td>
<td>2013</td>
</tr>
<tr>
<td>Total comprehensive income attributable to:</td>
<td>685.7</td>
<td>334.8</td>
<td>2013</td>
</tr>
</tbody>
</table>

---

**Asker, 18 February 2014**

**Stale Rennemo**

**President & CEO**

**Svein Rennemo**

**Jan Svensson**

**Bernd H.J. Bothe**

**Aniela Gjøs**

**Bodil Sonesson**

**David Williamson**

**Ingrid Solberg**

**Stefan Ranstrand**

Tomra Systems ASA

Asker, 18 February 2014

**Shareholders’ Annual Report 2013**

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### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<table>
<thead>
<tr>
<th>GROUP IFRS</th>
<th>Amounts in NOK million</th>
<th>Non-controlling interest</th>
<th>Total Equity</th>
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<td>Balance per 1 January 2012</td>
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<td>440.4 302.9</td>
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<tr>
<td>Transactions with shareholders</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Dividend non-controlling interest</td>
<td>0.0 (137.5)</td>
<td>440.4 302.9</td>
<td>334.8</td>
</tr>
<tr>
<td>Purchase of own shares</td>
<td>0.0 (137.5)</td>
<td>440.4 302.9</td>
<td>334.8</td>
</tr>
<tr>
<td>Own shares sold to employees</td>
<td>0.0 (137.5)</td>
<td>440.4 302.9</td>
<td>334.8</td>
</tr>
<tr>
<td>Dividend to shareholders</td>
<td>0.0 (137.5)</td>
<td>440.4 302.9</td>
<td>334.8</td>
</tr>
<tr>
<td>Total transactions with shareholders</td>
<td>(0.1)</td>
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<td>0.0</td>
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<td>Balance per 31 December 2012</td>
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<td>Changes in translation differences</td>
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<td>376.7 35.7</td>
<td>412.4</td>
</tr>
<tr>
<td>Remeasurments of defined benefit liability (assets)</td>
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<td>376.7 35.7</td>
<td>412.4</td>
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<td>Total comprehensive income for the period</td>
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<td>27.0</td>
</tr>
<tr>
<td>Transactions with shareholders</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Dividend non-controlling interest</td>
<td>0.0 (33.5)</td>
<td>(33.5)</td>
<td></td>
</tr>
<tr>
<td>Purchase of own shares</td>
<td>0.0 (33.5)</td>
<td>(33.5)</td>
<td></td>
</tr>
<tr>
<td>Own shares sold to employees</td>
<td>0.0 (33.5)</td>
<td>(33.5)</td>
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<tr>
<td>Dividend to shareholders</td>
<td>0.0 (33.5)</td>
<td>(33.5)</td>
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<tr>
<td>Total transactions with shareholders</td>
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<td>(33.5)</td>
<td>(33.5)</td>
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<td>(27.0)</td>
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### CASH FLOW STATEMENT

#### Tomra Systems ASA

<table>
<thead>
<tr>
<th>Tomra Systems ASA NGAAP</th>
<th>Amounts in NOK million</th>
<th>Group IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOW FROM OPERATING ACTIVITIES</td>
<td>153.6 251.8</td>
<td>96.6 90.0</td>
</tr>
<tr>
<td>Ordinary profit/(loss) before taxes</td>
<td>561.1 630.4</td>
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<tr>
<td>Income taxes paid</td>
<td>(136.4) (194.2)</td>
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<tr>
<td>Depreciation</td>
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<tr>
<td>Net change in inventory</td>
<td>11.4 (25.3)</td>
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<tr>
<td>Net change in receivables</td>
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<tr>
<td>Net change in payables</td>
<td>(2.0) (10.2)</td>
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<tr>
<td>Difference between booked costs on pension funds and actual cash payments to these funds</td>
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<td>Exchange rate effects</td>
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<tr>
<td>Profit before tax from affiliated companies</td>
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<tr>
<td>Dividend from affiliated companies</td>
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<td>Changes in other balance sheet items</td>
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</tr>
<tr>
<td>Net cash flow from operating activities</td>
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<tr>
<td>CASH FLOW FROM INVESTING ACTIVITIES</td>
<td>(230.7)</td>
<td>(1,037.7)</td>
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<tr>
<td>Proceeds from sales of non-current assets</td>
<td>10.2 57.9</td>
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<tr>
<td>Proceeds from sale of subsidiary</td>
<td>3.7 (866.7)</td>
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</tr>
<tr>
<td>Acquisition of subsidiary / Capital infusion</td>
<td>(274.2) (221.3)</td>
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</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td>(362.2) 714.5</td>
<td></td>
</tr>
<tr>
<td>CASH FLOW FROM FINANCING ACTIVITIES</td>
<td>(230.7)</td>
<td>(1,037.7)</td>
</tr>
<tr>
<td>Loan payments (to)/from subsidiaries</td>
<td>(115.5) (3.9)</td>
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<td>Proceeds from issuance of long term debt</td>
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<td>Dividend non-controlling interest</td>
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<td>Net change bank overdraft</td>
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<tr>
<td>Sales of treasury shares</td>
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<td>Interest paid</td>
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<td>Currency effect on cash</td>
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<td>Cash and cash equivalents per 31 December</td>
<td>164.1 177.2</td>
<td></td>
</tr>
</tbody>
</table>
CONSOLIDATION AND ACCOUNTING PRINCIPLES

(a) Consolidated companies

The consolidated accounts include the parent company TOMRA Systems ASA and companies in which the parent company has a controlling influence. Subsidiaries acquired or sold during the course of the year are excluded in the income statement as of the date that control commenced until the date that control ceased. The adjustments to non-controlling interests in a subsidiary, which represented the excess of the acquisition of non-controlling interests in a subsidiary are recognized in the income statement and balance sheet. Previously, goodwill was recognized on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction. The adjustments to non-controlling interests in a subsidiary are accounted for as transactions with owners resulting in a proportionate consolidation line by line in the income statement and balance sheet. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are recognized as incurred.

(b) Non-controlling interest

The non-controlling interest is measured at the share of the net profit and equity that is attributable to the non-controlling interest in enterprises and associates. The Group’s proportionate share of income and loss of associates is recognized in the income statement and balance sheet and statement of cash flow. The Group’s proportionate share of income and loss of associates is recognized in the income statement and balance sheet and statement of cash flow. These calculations require the use of estimates including, but not limited to, determinations based on value-in-use calculations. These calculations are based on a number of assumptions and estimates that is limited to the extent of those assumptions and estimates that are reasonable under the circumstances, the results of which are affected only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Revisions to these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Currency translation for foreign subsidiaries

The profit and loss statements for foreign subsidiaries are translated into the parent company’s functional currency. Loans to subsidiaries for which settlement in a foreseeable future is expected for as part of net investment in that foreign operation. Translation differences on such loans are initially recognized in OCI/equity, and reclassified from equity to profit and loss on disposal of the net investment. There is no specific accounting for currency translation differences on such loans. The balance sheet is converted on the basis of the exchange rates on the earlier of 31 December. Translation differences are shown as a separate item and charged to other comprehensive income (OCI). Loans to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are accounted for as part of net investment in that foreign operation. Translation differences on such loans are initially recognized in OCI/equity, and reclassified from equity to profit and loss on disposal of the net investment. There is no specific accounting for currency translation differences on such loans. The balance sheet is converted on the basis of the exchange rates on the earlier of 31 December. Translation differences are shown as a separate item and charged to other comprehensive income (OCI).

CONSIGNING PRINCIPLES

ACCOUNTING PRINCIPLES

The financial statements are based on historical cost, except for the following material items:

- Derivative financial instruments recognized at fair value through profit and loss.
- Defined benefit obligation recognized as the net total of the plan assets and liabilities of the defined benefit obligation.

The financial statements are presented on a going concern basis. The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Revisions to these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The accounting policies have been applied consistently by each Group entity.

The financial statements are presented based on historical cost, except for the following material items:

- Derivative financial instruments recognized at fair value through profit and loss.
- Defined benefit obligation recognized as the net total of the plan assets and liabilities of the defined benefit obligation.

The financial statements are presented on a going concern basis.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Revisions to these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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- Derivative financial instruments recognized at fair value through profit and loss.
- Defined benefit obligation recognized as the net total of the plan assets and liabilities of the defined benefit obligation.

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The financial statements are presented based on historical cost, except for the following material items:

- Derivative financial instruments recognized at fair value through profit and loss.
- Defined benefit obligation recognized as the net total of the plan assets and liabilities of the defined benefit obligation.

The financial statements are presented on a going concern basis. The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Revisions to these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
The tax effect is charged to equity. If the reverse is ineffective, such differences are recognized in equity.

4. Property, plant and equipment

Assets are recognized in the income statement as the carrying amount less the accumulated depreciation and impairment losses.

When an asset is disposed of, the proceeds are treated as an exceptional item.

5. Intangible assets

Intangibles consist of goodwill, development cost, geopolitical rights, trademarks, cash-generating units, and non-competition agreements.

Goodwill

In acquisitions, goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

For acquisitions, the Group measures goodwill at the acquisition date as the fair value of the consideration transferred plus any proportion of the acquiree’s net assets that is not recognized at the acquisition date. Any such proportion of the net asset’s fair value is recognized as an expense as incurred.

When the excess is negative, a bargain purchase gain is recognized immediately in profit and loss.

Goodwill is allocated to cash-generating units and it is no longer amortized but tested annually at 31 December for impairment. With respect to all other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the recoverable amount.

Warranty allocations

A general provision has been made for future warranty costs based on the previous year’s turnover in all Group companies.

The warranty cost is based on the weighted average of the experience of the Group and is reviewed annually.

6. Inventories

Inventories consist of materials, work in progress and finished products. The cost of inventories is based on the weighted average of the purchase price and the labor cost.

7. Income tax

Income tax is recognized in profit and loss.

8. Impairment

When the asset’s carrying amount does not exceed the recoverable amount, the asset is carried at the lower of cost or net recoverable amount.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the recoverable amount.

9. Dividends

Dividends are recognized as a liability in the period in which they are declared.

10. Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs.


A provision is recognized in the balance sheet when the Group has a legal or constructive obligation and a present obligation to settle the liability.

12. Trade and other payables

Trade and other payables are stated at the cost at which the asset is acquired.

13. Segment reporting

A segment is a distinguishable component of the Group. Cash-generating units are segments that have risks and rewards that differ significantly from those of the Group as a whole. The most significant cash flows of each segment are reported in the balance sheet and income statement.

14. Discontinued operations

A discontinued operation is a component of the Group that is a separate major business operation of the Group and one which is either a business or a geographical area of operations that has been sold or held for sale, or a business disposed of by the entity, either by sale or abandonment of ownership.

15. Other comprehensive income

Other comprehensive income includes the net change in the fair value of the Group’s share investments, revaluation of certain assets, and the accumulated deferred tax.

16. Translation of financial statements

The effect of the application of the AASB and IASB standards on the financial statements is presented in the notes to the financial statements.

17. Share capital

Share capital includes the par value of the issued shares, and the carrying amount of the preference shares.

18. Consolidated financial statements

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and include all entities controlled by the Group including those under common control.

19. Foreign currency transactions

Foreign currency transactions arising on the revaluation of the Group’s investments in associates and joint ventures, and on the revaluation of the Group’s net investment in an associate or joint venture, that are designated in a foreign currency, are translated at the exchange rate prevailing at the date of the transaction. The foreign currency transaction gain or loss is determined at the exchange rate at the date of the transaction.
GENERAL

BASIC PRINCIPLES

The financial statements, which have been prepared in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles, consist of the income statement, balance sheet, cash flow statement and notes to the accounts.

The financial statements have been prepared based on the fundamental principles governing historical cost: accounting, comparability, continuous operations and congruence. Transactions are recorded at their value at the time of the transaction. Income is recognized at the time of delivery of goods or services sold. Costs are expensed in the period in which they relate to the period of recognition.

Estimates and assumptions that may affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses during the period, are prepared by management based upon their best knowledge at reporting date. Actual results may differ from those estimates.

VALUATION AND CLASSIFICATION PRINCIPLES

REVENUE RECOGNITION

Revenues for machines and parts are recognized when risk is transferred to the customer. Royalties are recognized when services are provided.

Dividend income is recognized in profit and loss when the entity’s right to receive payments is established.

COST RECOGNITION

Costs are expensed in the period that the income to which they relate is recognized. Costs that can not be directly related to revenue are expensed as incurred.START-UP AND DEVELOPMENT COSTS

Fixed assets are entered in the accounts at original cost, with deductions for accumulated depreciation and write-down. If the fair value of a fixed asset is lower than book value, and the declining book value is not temporary, the fixed asset will be written down to fair value.

Based on the acquisition cost, straight-line depreciation is applied over the economic life of the fixed assets.

SHARES

Shares related for long-term ownership are recorded in the balance sheet under long-term investments. These are valued at acquisition cost unless circumstances, which cannot be regarded as of a temporary nature, exist which necessitate a lower valuation.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities are booked at the exchange rate at the date of the balance sheet. One long term loan to Tomra North America Inc in foreign currency was considered part of the net investment, and was booked at cost. The loan was paid down in 2012.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less.

PENSION OBLIGATIONS

TOMRA uses IAS 19 in accordance with NRS. As a result of IAS 19 (2011) the accounting policy with respect to the basis for determining the denominator income or expenses related to its post-employment benefits. Other service revenue used to determine the defined benefit plan.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefits expense in profit and loss as the related service is provided.

TOMRA Systems ASA's defined contribution plan also includes the right to a paid up policy, an element of which is a defined benefit plan. This part of the defined contribution plan is accounted for as a defined benefit plan as described below.

Defined benefit plans

TOMRA Systems ASA's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to Tomra Systems ASA, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan in excess of future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling upon any, excluding interest, are recognized immediately in equity. Tomra Systems ASA determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is scaled, the resulting change in benefit that relates to past service in the plan or the gain or loss on curtailment is recognized immediately in profit and loss. Tomra Systems ASA recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

TOMRA changed its reporting in 2012, dividing the Group’s activity into two business streams and return profile of the Group’s different activities. TOMRA also changed the consolidation standards at the external reporting structure to the Board and Management Group.

TOMRA use IAS 19 in accordance with the rules set out in the Norwegian Accounting Standard.

CASH FLOW STATEMENT

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding three months that is immediately, and with no material exchange rate exposure, can be exchanged for cash.

NOTE 2 SEGMENT INFORMATION

TOMRA GROUP – IFRS

Excluding discontinued operations

NOTE 1

TOMRA GROUP - IFRS

Amounts in NOK million

<table>
<thead>
<tr>
<th>Collection Solutions</th>
<th>Sorting Solutions</th>
<th>Group Functions</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordic Europe &amp; UK</td>
<td>4,073</td>
<td>1,264</td>
<td>2,099</td>
</tr>
<tr>
<td>Central Europe &amp; UK</td>
<td>1,784</td>
<td>1,504</td>
<td>1,216</td>
</tr>
<tr>
<td>North America</td>
<td>1,216</td>
<td>764</td>
<td>1,980</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>124</td>
<td>147</td>
<td>271</td>
</tr>
<tr>
<td>Total</td>
<td>6,605</td>
<td>4,442</td>
<td>7,058</td>
</tr>
<tr>
<td>- in %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordic Europe &amp; UK</td>
<td>19%</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>Central Europe &amp; UK</td>
<td>45%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>North America</td>
<td>43%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>13%</td>
<td>7%</td>
<td>18%</td>
</tr>
<tr>
<td>Other significant non-cash expenses</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

2013

<table>
<thead>
<tr>
<th>Collection Solutions</th>
<th>Sorting Solutions</th>
<th>Group Functions</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordic Europe &amp; UK</td>
<td>4,032</td>
<td>1,779</td>
<td>2,253</td>
</tr>
<tr>
<td>Central Europe &amp; UK</td>
<td>1,709</td>
<td>1,417</td>
<td>2,426</td>
</tr>
<tr>
<td>North America</td>
<td>1,478</td>
<td>1,478</td>
<td>2,956</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>124</td>
<td>229</td>
<td>353</td>
</tr>
<tr>
<td>Total</td>
<td>6,467</td>
<td>4,811</td>
<td>7,278</td>
</tr>
<tr>
<td>- in %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordic Europe &amp; UK</td>
<td>19%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Central Europe &amp; UK</td>
<td>42%</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>North America</td>
<td>43%</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>13%</td>
<td>7%</td>
<td>18%</td>
</tr>
<tr>
<td>Other significant non-cash expenses</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

1) Includes revenues from Germany of NOK 1,042 million in 2013 (NOK 901 million in 2012).
2) Includes revenues from USA of NOK 1,277 million in 2013 (NOK 1,264 million in 2012).
3) Includes revenues from Nordic 524 million in 2013 (NOK 557 million in 2012).

TOMRA Systems ASA presents total bank balances.

CASH AND CASH EQUIVALENTS

The cash flow statement is compiled using the indirect method.

The tax charge in the profit and loss account includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year’s activities. Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after allowing for any negative timing differences and losses carried forward under the liability method in accordance with the rules set out in the Norwegian Accounting Standard.

TOMRA uses IAS 19 in accordance with NRS.

Depreciation and amortization

Defined contribution plans

Depreciation and amortization

Defined contribution plans

53
### NOTE 2 INVENTORY/COST OF GOODS SOLD

<table>
<thead>
<tr>
<th>Tomra Systems ASA</th>
<th>Group</th>
<th>NGAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2012</td>
<td>Amounts in NOK million</td>
<td>2013</td>
</tr>
<tr>
<td>473.3</td>
<td>438.3</td>
<td>Cost of goods sold, gross</td>
<td>1,882.1</td>
</tr>
<tr>
<td>473.3</td>
<td>438.3</td>
<td>Cost of goods sold, net</td>
<td>2,018.6</td>
</tr>
</tbody>
</table>

Cost of goods sold includes adjustment of inventories write-down of NOK 0.0 million (2012: NOK 0.0 million for the Parent Company and NOK 8.0 million (2012: NOK 0.2 million) for the Group.

Inventories are not subject to retention of title clauses.

### NOTE 3 EMPLOYEE BENEFITS EXPENSES

<table>
<thead>
<tr>
<th>Tomra Systems ASA</th>
<th>Group</th>
<th>NGAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2012</td>
<td>Amounts in NOK million</td>
<td>2013</td>
</tr>
<tr>
<td>108.1</td>
<td>115.5</td>
<td>Salaries</td>
<td>1,021.2</td>
</tr>
<tr>
<td>22.1</td>
<td>21.6</td>
<td>Social security tax</td>
<td>175.0</td>
</tr>
<tr>
<td>146.2</td>
<td>153.3</td>
<td>Total employee benefits expenses</td>
<td>1,262.0</td>
</tr>
<tr>
<td>139</td>
<td>138</td>
<td>Number of man-years</td>
<td>2,453</td>
</tr>
</tbody>
</table>

All Norwegian companies in the Tomra Group have chosen to utilize bank guarantee instead of restricted accounts for employee tax deductions.

### NOTE 4 FINANCIAL ITEMS

<table>
<thead>
<tr>
<th>Tomra Systems ASA</th>
<th>Group</th>
<th>NGAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2012</td>
<td>Amounts in NOK million</td>
<td>2013</td>
</tr>
<tr>
<td>37.7</td>
<td>37.7</td>
<td>Interest income 1)</td>
<td>8.0</td>
</tr>
<tr>
<td>26.1</td>
<td>25.4</td>
<td>Interest expenses 1)</td>
<td>35.7</td>
</tr>
<tr>
<td>55.6</td>
<td>55.7</td>
<td>Total financial income</td>
<td>55.6</td>
</tr>
</tbody>
</table>

1) Interest income and expenses for the Parent Company include interest income and expenses from subsidiaries of NOK 33.2 million (2012: NOK 33.2 million) and NOK 0.2 million (2012: NOK 2.4 million) respectively. Borrowing costs are recognized as an expense in the period in which they are incurred.

### NOTE 5 CONTINGENT LIABILITIES

**Sale of Tomra Pacific:**

On 31 December 2011, Tomra sold the assets of Tomra Pacific, Inc., a wholly owned subsidiary of Tomra of North America, Inc, to rePlanet LLC. Tomra has given representations and warranties in line with what is considered normal in connection with such transactions. See also note 24 "Discontinued operations".

**Warranty liabilities:**

Tomra has warranty liabilities of NOK 16.4 million (2012: NOK 19.5 million) for the Parent Company and NOK X million (2012: NOK 16.3 million) for the Group.

### NOTE 6 INTEREST-BEARING LIABILITIES

<table>
<thead>
<tr>
<th>Tomra Systems ASA</th>
<th>Group</th>
<th>NGAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2012</td>
<td>Amounts in NOK million</td>
<td>2013</td>
</tr>
<tr>
<td>877.2</td>
<td>1,402.9</td>
<td>Total non-current interest-bearing liabilities</td>
<td>1,004.4</td>
</tr>
</tbody>
</table>

1) Tomra Systems ASA has a three-year revolving credit facility of EUR 100 million, entered into in July 2012, a three-year term loan of NOK 500 million, entered into in July 2011, and a five-year revolving credit facility of NOK 500 million, or EUR equivalent, entered into in January 2011. As of 31 December 2013, NOK 550 million and EUR 110 million were drawn on these three facilities. The loans have floating interest, and negative pledge commitment. The loan agreements are conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. See also note 15.

### NOTE 7 SHORT-TERM RECEIVABLES

<table>
<thead>
<tr>
<th>Tomra Systems ASA</th>
<th>Group</th>
<th>NGAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2012</td>
<td>Amounts in NOK million</td>
<td>2013</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>Total trade receivables</td>
<td>964.8</td>
</tr>
</tbody>
</table>

1) Other short-term receivables includes forward contracts of NOK 3.7 million. Bad debt written-off is reported as other operating expenses. Receivables with due dates more than one year after the balance date are reported as non-current assets.

### NOTE 8 LONG-TERM RECEIVABLES

<table>
<thead>
<tr>
<th>Tomra Systems ASA</th>
<th>Group</th>
<th>NGAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2012</td>
<td>Amounts in NOK million</td>
<td>2013</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>Total receivables</td>
<td>223.7</td>
</tr>
</tbody>
</table>

Capital lease relates to machines (mainly PVs in USA and Germany) sold to customers on financial lease contracts.
### NOTE 9. PROPERTY, PLANT AND EQUIPMENT

**GROUP - IFRS**

<table>
<thead>
<tr>
<th>Land &amp; Buildings</th>
<th>Machinery &amp; Fixtures</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January 2012</td>
<td>170.6</td>
<td>508.6</td>
<td>87.8</td>
</tr>
<tr>
<td>Acquisitions through business combinations</td>
<td>73.3</td>
<td>2.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other acquisitions</td>
<td>6.9</td>
<td>71.2</td>
<td>15.5</td>
</tr>
<tr>
<td>Disposals</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Effect of movements in foreign exchange</td>
<td>0.0</td>
<td>(78.8)</td>
<td>(23.9)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2012</strong></td>
<td>241.0</td>
<td>429.8</td>
<td>74.2</td>
</tr>
<tr>
<td><strong>Depreciation and impairment losses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January 2012</td>
<td>49.8</td>
<td>320.0</td>
<td>60.7</td>
</tr>
<tr>
<td>Depreciation charge for the year</td>
<td>10.1</td>
<td>66.1</td>
<td>12.0</td>
</tr>
<tr>
<td>Disposals</td>
<td>(0.1)</td>
<td>(85.5)</td>
<td>(21.4)</td>
</tr>
<tr>
<td>Effect of movements in foreign exchange</td>
<td>(1.4)</td>
<td>24.4</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2012</strong></td>
<td>56.5</td>
<td>257.8</td>
<td>48.1</td>
</tr>
<tr>
<td><strong>Carrying amounts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January 2013</td>
<td>141.4</td>
<td>63.3</td>
<td>11.1</td>
</tr>
<tr>
<td>Depreciation charge for the year</td>
<td>(2.6)</td>
<td>(77.5)</td>
<td>(6.9)</td>
</tr>
<tr>
<td>Disposals</td>
<td>0.0</td>
<td>22.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Effect of movements in foreign exchange</td>
<td>(3.1)</td>
<td>25.2</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2013</strong></td>
<td>128.3</td>
<td>225.5</td>
<td>57.9</td>
</tr>
<tr>
<td><strong>Depreciation rate</strong></td>
<td>2.4%</td>
<td>10.3%</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Useful life</strong></td>
<td>50 yrs</td>
<td>10-15 yrs</td>
<td>7 yrs</td>
</tr>
</tbody>
</table>

### NOTE 10. INTANGIBLE ASSETS

**GROUP - IFRS**

<table>
<thead>
<tr>
<th>Amounts in NOK million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goodwill</strong></td>
</tr>
<tr>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td>Balance at 1 January 2012</td>
</tr>
<tr>
<td>Acquisitions through business combinations</td>
</tr>
<tr>
<td>Other acquisitions - internally developed</td>
</tr>
<tr>
<td>Transfer from and to tangible assets</td>
</tr>
<tr>
<td>Disposals</td>
</tr>
<tr>
<td>Effect of movements in foreign exchange</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
</tr>
<tr>
<td><strong>Depreciation charge for the year</strong></td>
</tr>
<tr>
<td><strong>Other intangibles - development costs</strong></td>
</tr>
<tr>
<td><strong>Other intangibles - revaluation</strong></td>
</tr>
<tr>
<td><strong>Other intangibles - disposal</strong></td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
</tr>
</tbody>
</table>

**MATERIAL RECOVERY**

- TOMRA has estimated EBITA based on management's experience, expectations of future business development and the significant capital employed as a result of the acquired sorting business stream. The capital employed is generally assumed to develop in line with revenues, and sales prices are estimated to grow organically ~20 percent per year for 10 years in a row, excluding acquisitions. The growth rate is estimated to 8.5 percent. Terminal growth rate is assumed to be 2.5 percent.

- Material recovery is performed manually and new technology enables sorting of fragments / sorting with a higher clarity formed by changes in material prices (demand for compaction equipment will to some extent be negatively affected by changes in material prices). The business stream comprises the development, production, sale and service of sorting technology, which is typically sold with competencies and the required infrastructure. The business stream has been growing for many years, and has still a significant untapped potential, as many sorting tasks still remain unsorted. The company is currently the leading manufacturer in this segment.

- The business stream comprises the production, sale and service of sorting technology, which is typically sold with competencies and the required infrastructure. The business stream has been growing for many years, and has still a significant untapped potential, as many sorting tasks still remain unsorted. The company is currently the leading manufacturer in this segment.

- The business stream comprises the production, sale and service of sorting technology, which is typically sold with competencies and the required infrastructure. The business stream has been growing for many years, and has still a significant untapped potential, as many sorting tasks still remain unsorted. The company is currently the leading manufacturer in this segment.
NOTE 11 INTANGIBLE ASSETS (cont.)

Deferred tax represents the net change in deferred tax assets and liabilities through changes in timing differences and loss carried forward. Deferred tax assets and liabilities are presented net of their respective tax effect using tax rate of the applicable jurisdiction applied to amounts representing future tax deductions or tax payable and consist of the following as of 31 December:

<table>
<thead>
<tr>
<th></th>
<th>Tomra Systems ASA</th>
<th>NGAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts in NOK million</td>
<td>2013</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Tax deductible costs</td>
<td>123.2</td>
<td>102.0</td>
<td>123.2</td>
</tr>
<tr>
<td>Tangible non-current assets</td>
<td>10.3</td>
<td>9.0</td>
<td>10.3</td>
</tr>
<tr>
<td>Intangible non-current assets</td>
<td>16.3</td>
<td>13.7</td>
<td>16.3</td>
</tr>
<tr>
<td>Financial non-current assets</td>
<td>19.6</td>
<td>16.7</td>
<td>19.6</td>
</tr>
<tr>
<td>Provisions</td>
<td>36.1</td>
<td>28.0</td>
<td>36.1</td>
</tr>
<tr>
<td>Pension reserves</td>
<td>244.3</td>
<td>274.8</td>
<td>244.3</td>
</tr>
<tr>
<td>Non-interest-bearing debt</td>
<td>244.3</td>
<td>274.8</td>
<td>244.3</td>
</tr>
<tr>
<td>Total other current liabilities</td>
<td>264.7</td>
<td>302.6</td>
<td>264.7</td>
</tr>
<tr>
<td>Loss carried forward</td>
<td>37.1</td>
<td>39.8</td>
<td>37.1</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>134.3</td>
<td>112.7</td>
<td>134.3</td>
</tr>
</tbody>
</table>

NOTE 12 OTHER CURRENT LIABILITIES

Other provisions comprise of provisions for contractual obligations with business partners, and provisions for losses claimed covered by TOMRA in connection with previous developments. Other provisions also include an obligation for a lease agreement of an office building in Germany that is only partially used by the TOMRA Group.

NOTE 13 PROVISIONS

Other provisions include a provision for contractual obligations with business partners, and provisions for losses claimed covered by TOMRA in connection with previous developments. Other provisions also include an obligation for a lease agreement of an office building in Germany that is only partially used by the TOMRA Group.

Negative and positive timing differences, which reverse or map reverse in the same period, are offset. Deferred taxes are calculated on the basis of timing differences and losses carried forward which are offset. Timing differences between different jurisdictions have not been offset. During the period that these differences reverse, the companies will have a taxable net income that is sufficient to reverse the deferred tax allowance. The losses carried forward are all in countries where future taxable profits are expected.

There have not been any material effects in either deferred tax or tax expenses for the year, related to changes in tax rates in the jurisdictions where TOMRA operates.

NOTE 14 PARTNER CORPORATION

The group has not been affected by the structuring and cross utilization of technologies, and the number of cash-generating units will consequently not be changed within this business area.

Sensitivity analysis

In connection with the impairment testing of CGUs containing goodwill, a sensitivity analysis has been performed. A sensitivity analysis is a key assumption on which management has based its determination of the fair value. Any reasonable assumption would not cause the units carrying amount to exceed its recoverable amount.

Neither an assumed rise of 2 percent nor a 10 percent reduction in forecasted cash flows would trigger a write-down in goodwill.

Exchange rates as of 31 December 2013 were used in calculating carrying value (2013: NOK 4,097.1; 2012: NOK 4,045.6).

The following exchange rates were used: AUD/NOK 5.65, EUR/NOK 9.50, USD/NOK 7.90, DKK/NOK 7.30.
NOTE 14 RELATED PARTIES

4) Board fees
The Company pays 50 percent of the estimated fees after six months, and the remaining 50 percent after an additional six months, when the fees have been formally approved by the annual general assembly.

5) Committee fees
The committee convenes related parties to participate in the Audit, Compensation, CR and Nomination Committees.

6) Salary
The column comprises ordinary salary received in the year.

7) Variable salary
The column contains bonus payments received at the start of the year, based upon the previous year’s performance. The amounts do not include payments from the LTIP program described below.

8) Pension premiums
Group Management members participate in the same pension plans as other employees in the jurisdiction they are employed. The CEO does not participate in the defined benefit plan and receives a fixed compensation instead. For further description of the pension plan, see note 17.

9) Other benefits
The column conveys the value of other benefits received by Group Management and Board members during the year, including value of interest-free loans, health insurance etc.

10) Shareholding Board member
Board member Jan Sivenson holds the position of CEO in Investment AB Latour that had a holding of 31,320,000 shares in TOMRA at December 31, 2013.

11) Shareholding Committee member
Committee member Eric Douglas family controls Investment AB Latour that had a holding of 31,320,000 shares in TOMRA at December 31, 2013.

12) Severance
Rune Marthinussen is entitled to receive an additional salary and other benefits with a total value of NOK 1,534,000 in 2013.

Extract from principles for remuneration of Group Management
Salary and other employment terms for senior executives shall be competitive in order to ensure that TOMRA can attract and retain skilled leaders. Salary should include both fixed and variable elements. The fixed salary should reflect the individual’s area of responsibility and performance over time. Bonuses for executives shall be awarded on a year-to-year basis. The compensation structure shall be based on total return as defined below. The annual compensation shall be related to the achievement of specific performance targets by TOMRA Group and the respective manager’s unit. The entire principles for remuneration of Group Management are found under the Corporate Governance section of the annual report.

Long Term Incentive Plans (LTIP)
The LTIP combines a market linked stock option plan with a cash based Long Term Incentive Plan (LTIP), where managers could receive a bonus based upon the reported result that the company generated for its shareholders measured against NASDAQ. Earnings should only be applied to the LTIP if TOMRA, dividend adjusted, earned more than the NASDAQ index by at least 2.5 percent. For 2013 the dividend adjusted earnings per share was NOK 4.75, thus the LTIP plan was in place. For 2013 the dividend adjusted earnings per share was NOK 4.75, thus the LTIP plan was in place. For 2014, the dividend adjusted performance of the Tomra share needs to exceed NASDAQ by at least 2.5 percent in the period from December 31, 2011 to December 31, 2014 to generate earnings under the plan. Full earnings will be achieved if the over-performance exceeds 20 percent. Earnings are calculated between 2.5 percent and 20 percent. TOMRA is currently evaluating the LTIP plan, and changes to the plan should be expected from 2015, where earnings would be closer tied to the Groups reported profit.
NOTE 14 RELATED PARTIES (cont.)

TOMRA SYSTEMS ASA – NGAAP

Terra Systems ASA has several transactions with related parties. All transactions are performed as part of ordinary business and executed at arm’s length principles.

The significant transactions are as follows:

- Sales of RVMs, spare parts and service manuals/support of NOK 851.4 million in 2013 (NOK 846.5 million in 2012) to:
  - Tomra Butikksystemer AS
  - OY Tomra AB
  - Tomra Systems GmbH
  - Tomra Environmental Protection Technology (Xiamen) Co. Ltd.

- Management fee of NOK 5.2 million in 2013 (NOK 5.9 million in 2012).

- Total 12.0 1,708.8

- Loan from subsidiaries  (50.2) (44.1)

- Amounts in NOK million 2013

- Loans to subsidiaries  300.5 1,695.3

- Sales of RVMs, spare parts and service manuals/support of NOK 851.4 million in 2013 (NOK 846.5 million in 2012) to:
  - Tomra Butikksystemer AS
  - OY Tomra AB
  - Tomra Systems GmbH
  - Tomra Environmental Protection Technology (Xiamen) Co. Ltd.

NOTE 15 SHARES AND INVESTMENTS

TOMRA SYSTEMS ASA – NGAAP

The net order book to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit and loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

The above figures illustrate net actuarial gain/loss on an accumulated basis. Consequently the equity effect of transition 1 January 2012 would have been net NOK -24.8 million, and 31 December 2012 would have been NOK 1.0 million. We have considered the impact of transition to IAS 19R to be immaterial, and we have therefore not restated 2012 figures.

The net effect of transition was NOK 10.0 million as per 31 December 2012 and this effect is included in the net remeasurement effect of NOK 27.0 million recorded in Q1 in 2013.
NOTE 17 PENSION AND PENSION OBLIGATIONS (cont.)

TOMRA Systems ASA

<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>313</td>
<td>313</td>
<td>317</td>
<td>317</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BASIS FOR CALCULATION</th>
<th>2012</th>
<th>2013</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>4.10%</td>
<td>4.10%</td>
<td>3.90%</td>
<td>3.90%</td>
</tr>
<tr>
<td>Expected wage increase</td>
<td>3.75%</td>
<td>3.75%</td>
<td>3.50%</td>
<td>3.50%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>4.30%</td>
<td>4.30%</td>
<td>3.90%</td>
<td>3.90%</td>
</tr>
</tbody>
</table>

15 yrs 13 yrs 13 yrs 13 yrs
Average remaining service period

<table>
<thead>
<tr>
<th>MOVEMENTS IN NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AS RECOGNIZED IN THE BALANCE SHEET</th>
<th>2012</th>
<th>2013</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net liability at 1 January</td>
<td>32.6</td>
<td>30.5</td>
<td>32.6</td>
<td>30.5</td>
</tr>
<tr>
<td>Contributions received</td>
<td>(15.3)</td>
<td>(15.3)</td>
<td>(15.3)</td>
<td>(15.3)</td>
</tr>
<tr>
<td>Remeasurement recognized in Other Comprehensive Income</td>
<td>19.4</td>
<td>19.1</td>
<td>19.4</td>
<td>19.1</td>
</tr>
<tr>
<td>Notes</td>
<td>48.1</td>
<td>36.2</td>
<td>48.1</td>
<td>36.2</td>
</tr>
</tbody>
</table>

(*) The expense is recognized in the following line item in the income statement.

1 Total employee benefits expenses of NOK 6.7 million for the TOMRA Sorting Solutions segment (2012 NOK 5.3 million) and NOK 25.7 million for the TOMRA Collection segment (2012 NOK 31.7 million).

2 The discount rate is in accordance with guidelines from Nordekegnskapstofteiet of 31 August 2013, which was the best estimate of the rate at the time the basis for the calculation was set in October 2013.

TOMRA's best estimate of contributions expected to be paid into the plan for 2014 is NOK 17.7 million.

The discount rate is in accordance with guidelines from Nordekegnskapstofteiet of 31 August 2013, which was the best estimate of the rate at the time the basis for the calculation was set in October 2013.

The discount rate is in accordance with guidelines from Nordekegnskapstofteiet of 31 August 2013, which was the best estimate of the rate at the time the basis for the calculation was set in October 2013.

Due to the financial turmoil in Europe, the 10 year state bond interest has been unusually low. For this reason, Nordekegnskapstofteiet (IFRS) in their 2012 and 2013 guidelines recommended that the interest used for pension calculations should be set based on plan preference and will actuarial assumptions. The discount rate is used for calculations of reductions in state benefits. The plan gives a right to defined benefit plans, where the insured employee plans covered employees in TOMRA. The pension plan was adjusted to keep the benefit after tax unchanged for the employee. If they wanted to stay in this plan or join the new defined contribution plan, they would be taxable when the pension was paid out. The pension premium is tax-deductible for the company.

The cost of the defined benefit plan includes a premium for the right to a paid up defined contribution policy based on an actuarial valuation. Total employee benefits expenses for the Group consists of NOK 67 million for the TOMRA Sorting Solutions segment (2012 NOK 53 million) and NOK 257 million for the TOMRA Collection segment (2012 NOK 317 million).

TOMRA'S BEST ESTIMATE OF CONTRIBUTIONS EXPECTED TO BE PAID INTO THE PLAN FOR 2014 IS NOK 17.7 MILLION.

The discount rate is in accordance with guidelines from Nordekegnskapstofteiet of 31 August 2013, which was the best estimate of the rate at the time the basis for the calculation was set in October 2013.

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TOMRA'S BEST ESTIMATE OF CONTRIBUTIONS EXPECTED TO BE PAID INTO THE PLAN FOR 2014 IS NOK 17.7 MILLION.
**NOTE 19 FINANCIAL INSTRUMENTS**

For responsibility for funding, cash management and financial risk management is handled centrally by the finance department in Tomra Systems ASA. Guidelines for the finance activities are determined by the financial strategy, which is reviewed and approved by the Board. The central treasury department acts as the corporate bank and is responsible for all external borrowing and hedging transactions in interest rates and currencies. Tomra aims to limit exposure to financial risk.

### Interest rate risk

Tomra’s surplus cash is primarily used to reduce the loan amount on the revolving credit facilities. It may also be placed in NOK with short maturities. In accordance with the adopted financial strategy, the duration of the portfolio should not exceed six months.

Non current interest bearing liabilities relates to a five-year revolving credit facility of NOK 500 million or EUR equivalent. Installed in January 2013. Remaining five-year revolving credit facility of EUR 120 million (see Table 1). Current interest rate is 1.38 years.

TOMRA’s outstanding loans as of 31 December 2013. However, TOMRA’s customers include the largest retail chains in the world, as well as large scrap material processors. Tomra seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantage and security afforded by a sound capital position.

### Liquidity risk

Liquidity risk is the risk that Tomra will not be able to meet its financial obligations as they fall due. Tomra has sufficient liquidity to meet its short-term obligations. In addition, the company has access to significant long-term financing through its revolving credit facilities.

### Commodity risk

The volatility of raw materials impact both Tomra’s income and costs.

### Income

Income is directly exposed to fluctuation in commodity prices in the business area. Tomra’s activities are centered on material recovery operations, the value of the material that Tomra recovers is a source of income. When commodity prices increase, the income to customers in this segment is affected, which affects the invested in inventory negatively.

### Costs

Costs are directly related to the prices of raw materials. Tomra is a major user of raw materials in production, however, the volume of material components was not large enough for significant impact on the results.

### Exchange rates

The split of revenues and the balance sheet as of 31 December in currencies, was distributed as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Shares (% of Group)</th>
<th>Shares (% of Group)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOK</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td>EUR</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>USD</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>SEK</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Others</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Foreign currency risk

Foreign currency risk is associated with changes to the value of NOK relative to other currencies. Changes in foreign currencies, for example, in the NOK, will either increase or decrease income, depending on the hedge. For example, if NOK is used to obtain earnings for a foreign currency, an increase in the NOK will reduce the earnings for the Group. The most significant risk is associated with EUR and USD.

### Hedge accounting under IAS 39

Hedge accounting under IAS 39 is widely used to reduce the profit and loss volatility arising from currency fluctuations. However, in 2013, TOMRA has not entered into any foreign currency contracts as of 31 December 2013.

### NOTE 19 FINANCIAL INSTRUMENTS (cont.)

The split of the balance sheet as of 31 December in currencies was distributed between the balance lines as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Shares (% of Group)</th>
<th>Shares (% of Group)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOK</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td>EUR</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>USD</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>SEK</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Others</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Sensitivity analysis – isolated currency risk change’s impact on operating profit before other items:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Shares (% of Group)</th>
<th>Shares (% of Group)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOK</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td>EUR</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>USD</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>SEK</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Others</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>
NOTE 19 FINANCIAL INSTRUMENTS (cont.)

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments in the table.

Cash and cash equivalents
The carrying amounts of cash and cash equivalents equaled the fair value due to their short maturities.

Financial derivatives
The fair value of forward currency contracts represented quoted market prices, i.e. the exchange rate at 31 December 2013 and the interest points obtained from the different market institutions.

Interest rates used for determining fair value

Credit risk premium 2.0% 2.0% 2.0% 2.0%
Receivables/payables 2.0% 2.0%

Financial assets and liabilities per 31 December 2013 – maturity analysis (discounted values):

Amounts in NOK million Carrying Quarter 1 Quarter 2-4 Total
Long term investments 167.1 167.1 167.1 167.1
Cash and cash equivalents 164.1 164.1 164.1 164.1
Forward exchange contracts 2.1 2.1 2.1 2.1
Total 191.3 191.3 191.3 191.3
Unsecured bank facilities 1,424.8 44.6 1,469.4 1,469.4
Other interest-bearing liabilities 192.2 192.2 192.2 192.2
Total (1,424.8) 193.8 1,618.6 1,618.6

NOTE 20 SHARE-BASED PAYMENTS

GROUP – IFRS

Share Purchase Program
In 2008 TOMRA established a share purchase program for permanent employees. In this program TOMRA invites employees to buy shares in TOMRA at market price and receive one bonus share per five invested shares, provided that the shares are kept for at least one year and the employee is still employed by TOMRA when the shares are sold. The share purchase program was previously referred to as TOMRA’s share purchase program. In 2013 and 2012 200,000 shares were purchased under this proxy.

TOMRA was granted authority to acquire treasury shares at the annual general meeting 22 April 2013, limited to a total of 500,000 shares.

TOMRA Systems ASA had a USD 54 million loan to the 100 percent owned subsidiary Tomra North America (TNA). The loan was accounted for as part of the net investment in TNA, ref. IAS 21.15. The loan was settled in 2012. There is no change in Tomra Systems ASA’s ownershare in TNA. Reference is made to Note 15 for further information.

For receivables/payables with a remaining life of less than one year, the notional amount was deemed to reflect the fair value. All other receivables/payables were discounted to determine the fair value.

There has not been any transfer of assets between the different valuation categories.

There has not been any transfer of assets between the different valuation categories.

There has not been any transfer of assets between the different valuation categories.

There has not been any transfer of assets between the different valuation categories.

Balance per 31 December 2013 148.0 147.8 148.0 148.0
Balance per 31 December 2012 148.0 147.8 148.0 148.0
Balance per 31 December 2011 148.0 147.8 148.0 148.0
Balance per 31 December 2010 148.0 147.8 148.0 148.0
Balance per 31 December 2009 148.0 147.8 148.0 148.0
Balance per 31 December 2008 148.0 147.8 148.0 148.0

NOTE 21 EQUITY

TOMRA SYSTEMS ASA – IFRS

Amounts in NOK million Share capital Treasury shares Share premium Paid-in capital Retained earnings Total equity Number of shares
Balance per 1 January 2012 148.0 (0.1) 918.3 1,066.2 716.2 1,794.4 148,020,076
Profit for the period 210.9 210.9
Foreign exchange loss 165.6 165.6
Purchase of own shares (0.3) (0.3) 1,18.8 118.8
Own shares sold to employees 0.2 0.2 (0.7) (0.7)
Dividend to shareholders (147.7) (147.7)
Balance per 31 December 2012 148.0 (0.2) 918.0 1,066.1 706.6 1,780.7 148,020,076
Profit for the period 110.2 110.2
Pensions (142.2) (142.2)
Purchase of own shares (0.2) (0.2) (0.6) (0.6)
Dividend to shareholders (199.7) (199.7)
Balance per 31 December 2013 148.0 (0.2) 918.0 1,066.1 598.3 1,664.4 148,020,076

NOTE 21 EQUITY (cont.)

GROUP – IFRS

Amounts in NOK million Share capital Translation reserves Retained earnings Total equity attributable to the owners of the company Non-controlling interest Total Equity
Profit for the period 1,066.2 (240.6) 0.0 1,285.7 2,141.1 75.8 2,216.9
Transactions with shareholders
Dividends non-controlling interest (0.0) (0.0) (341.4) (341.4)
Own shares sold to employees 0.2 0.2 6.7 6.7
Dividends to shareholders (155.3) (155.3)
Total transactions with shareholders (0.2) 0.0 0.0 (160.6) (160.6) (341.4) (391.4)
Profit for the period 1,066.1 (240.6) 0.0 1,355.5 2,235.3 73.6 2,309.9
Transactions with shareholders
Dividends non-controlling interest (0.0) (0.0)
Own shares sold to employees 0.2 0.2 6.7 6.7
Dividends to shareholders (155.3) (155.3)
Total transactions with shareholders (0.2) 0.0 0.0 (160.6) (160.6) (341.4) (391.4)
Profit for the period 1,066.1 (240.6) 0.0 1,355.5 2,235.3 73.6 2,309.9
Transactions with shareholders
Dividends non-controlling interest (0.0) (0.0)
Own shares sold to employees 0.2 0.2 6.7 6.7
Dividends to shareholders (155.3) (155.3)
Total transactions with shareholders (0.2) 0.0 0.0 (160.6) (160.6) (341.4) (391.4)
Balance per 31 December 2013 1,066.1 (240.6) 0.0 1,355.5 2,235.3 73.6 2,309.9
Balance per 31 December 2012 1,066.1 (240.6) 0.0 1,355.5 2,235.3 73.6 2,309.9
Balance per 31 December 2011 1,066.1 (240.6) 0.0 1,355.5 2,235.3 73.6 2,309.9
Balance per 31 December 2010 1,066.1 (240.6) 0.0 1,355.5 2,235.3 73.6 2,309.9
Balance per 31 December 2009 1,066.1 (240.6) 0.0 1,355.5 2,235.3 73.6 2,309.9
Balance per 31 December 2008 1,066.1 (240.6) 0.0 1,355.5 2,235.3 73.6 2,309.9

1) Dividend payment was NOK 1.25 per share in 2011, as proposed in the 2012 financial statements.

Translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the consolidated financial statements.

Net investment in TNA, ref. IAS 21.15. The loan was settled in 2012. There is no change in Tomra Systems ASA’s ownershare in TNA. Reference is made to Note 15 for further information.

Average number of shares, adjusted for own shares, fully diluted 147,908,962 147,908,962
Average number of shares, adjusted for own shares, fully diluted 147,908,962 147,908,962

Majority equity 31 December (MNOK) 2,743.9 2,283.3
Equity per share (DKK) 14.43 15.44
Net profit attributable to the shareholders of the parent (MNOK) 376.7 440.3
Earnings per share, fully diluted 2.55 2.98
Earnings per share, fully diluted 2.55 2.98

Pursuant to Section 8 of the Share Purchase Program, the Board of Directors has the right to acquire a maximum of 200,000 shares at market price.

1) Foreign exchange loss, net of tax, on down payment of long term intra Group loan, see also note 15.
NOTE 22 SHAREHOLDERS

The amounts shown are based on information from Veritaspersoner AB. On nominee accounts, information regarding beneficial ownership has been collected and presented where possible.

Registered at 31 December 2013

Number of shares Ownership
1. Investment AB Latour 31,320,000 21.16%
2. Folkebyggnad 10,137,051 10.90%
3. Jupider Asset Management Ltd. (UK) 10,910,031 7.37%
4. Nordea Investment Management 4,168,693 2.99%
5. Larchio Fond AB 4,166,660 2.82%
6. SBI Investment Management AB 3,846,330 1.92%
7. Deimos & Co Investment Co. Ltd. 2,678,978 1.42%
8. FLC Asset Managers Ltd 1,356,768 0.41%
9. Oslo Postbank AS 2,368,905 0.41%
10. BRC Partners Ltd 2,311,820 0.36%
11. Templer Investment Counsel LLC 2,145,210 0.31%
12. Impax Asset Management 1,887,711 0.28%
13. Laxted Finans Gestion 1,745,075 0.26%
14. Dimensional Fund Advisors LP 1,678,530 0.24%
15. Dyer Asset Management LLP 1,677,246 0.24%
16. Nova Capital and Partners 1,676,502 0.24%
17. Eftrt Invest AS 1,489,532 0.19%
18. Omnia Asset Management AS 1,275,855 0.17%
19. Oslo Pensionsfondet AS 1,205,000 0.17%
20. Fjordt AS 1,111,886 0.15%

Total 20 largest shareholders 95,772,499 64.70%
Total others shareholders 52,247,579 35.30%
Total (8,080 shareholders) 148,020,078 100.00%

NOTE 23 ACQUISITIONS AND DISVESTURES

BEST

On 2 July 2012, TOMRA closed an agreement with the owners of the Belgian technology manufacturer BEST Feedmill NV, acquiring 100 percent of the shares in the company. TOMRA paid on the same day 125.5 MEUR in cash. Final purchase price after pro/con settlements is assumed to be 124.5 MEUR. There is no earn-out or other conditional payments related to the acquisition.

Best is a leading provider of advanced sorting and processing technology for the international food processing industry. The purpose of the acquisition was to enter into parts of the food sorting industry where TOMRA had no existing presence.

BEST has been consolidated in the TOMRA Group from 2 July 2012.

NOTE 24 DISCONTINUED OPERATIONS

On 31 December 2011, Tomra sold the assets of Tomra Pacific, Inc., a wholly owned subsidiary of Tomra of North America, Inc, to RePlanet, LLC. Total consideration for the transaction was USD 26.8 million, of which USD 11.0 million was paid at closing, another USD 15.0 million was paid in 2012 and the remaining USD 0.8 million was paid in 2013.

The transaction was considered as a discontinued operation. The consideration was accounted for using the fair value approach with transactions like this, and the seller works as an Ex accrue in this context. In 2013, an after tax loss of NR 9.7 million has been recognized, mainly due to workers comp claims, which is sellers responsibility.

The business of Tomra Pacific was a separate major line of business for the Group and has previously been reported as a separate geographical area. The comparative consolidated Income Statement was restated to show the discontinued operations separately from continuing operations, starting 2011.

Analysis of the loss on sale of discontinued operation

Amounts in NOK million

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>-</td>
<td>-</td>
<td>378.8</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>403.8</td>
<td>403.8</td>
<td>403.8</td>
</tr>
<tr>
<td>Net operating profit</td>
<td>0.0</td>
<td>0.0</td>
<td>29.2</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>9.2</td>
<td>9.2</td>
<td>9.2</td>
</tr>
<tr>
<td>Profit from discontinued operations after tax</td>
<td>0.0</td>
<td>0.0</td>
<td>20.0</td>
</tr>
<tr>
<td>After tax loss on disposal</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Currency loss on disposed entity equity*</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Total discontinued operations</td>
<td>(1.8)</td>
<td>(1.8)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Earnings per share from discontinued operations, basic (NOK)</td>
<td>(0.07)</td>
<td>(0.07)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Earnings per share from discontinued operations, diluted (NOK)</td>
<td>(0.07)</td>
<td>(0.07)</td>
<td>(0.07)</td>
</tr>
</tbody>
</table>

* From implementation of IFRS in 2004

NOTE 25 CONSTRUCTION CONTRACTS

A small part of TOMRA’s activities consist of designing and manufacturing products and systems to order. One project is accounted for in accordance with IAS 11 and the percentage of completion method.

Contract revenue includes the total amount agreed in the contract plus any variations in contract work, costs and incentive payments. To the extent that it is probable that they will result in revenue and can be measured reliably. Contract revenue is recognized in profit and loss in proportion to the performance of completion of the contract. The percentage of completion is assessed by reference to surveys of work performed and cost incurred relative to expected total production costs.

Expected total production costs are estimated using a combination of historical figures, systematic estimation procedures, monitoring of efficiency and best judgment.

Contract expenses are recognized as incurred.

Projects under construction is the amount of work in progress presented as inventory in the balance sheet. Advances from customers is the net amount of accumulated earned revenue minus accumulated billing for all ongoing contracts where work performed per contract terms.

There is no construction contracts open at year end 2013.

Amounts in NOK million

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects under construction</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Advances from customers</td>
<td>8.1</td>
<td>8.1</td>
</tr>
<tr>
<td>Net Projects under construction</td>
<td>0.0</td>
<td>(4.8)</td>
</tr>
<tr>
<td>Reported revenue (not invoiced) included in customer receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share of outstanding receivables withheld in accordance with contract terms</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Remaining production on loss-making projects</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue from projects in progress</td>
<td>22.6</td>
<td>15.0</td>
</tr>
<tr>
<td>Costs from projects in progress</td>
<td>13.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Net result from projects in progress</td>
<td>9.3</td>
<td>5.6</td>
</tr>
</tbody>
</table>
Today, the Chief Executive Officer and the Board of Directors reviewed and approved the Board of Directors’ Report and the consolidated and separate annual financial statements for Tomra Systems ASA as of 31 December 2013 (annual report 2013).

To the best of our knowledge:
- the consolidated financial statements are prepared in accordance with IFRS and IFRIC as adopted by the EU and additional Norwegian disclosure requirements in the Norwegian Accounting act, and that were effective as of 31 December 2013.
- the separate financial statements are prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31 December 2013.
- the Board of Directors’ Report for the Group and the Parent Company is in accordance with the requirements in the Norwegian Accounting Act and Norwegian accounting standard no 16, as of 31 December 2013.
- the consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 31 December 2013 for the Group and the Parent Company.
- the Board of Directors’ Report for the Group and the Parent Company includes a true and fair view of:
  - the development and performance of the business and the position of the Group and the Parent Company.
  - the principal risks and uncertainties the Group and the Parent Company face.

Asker, 18 February 2014

Svein Rennemo
Chairman

Jan Svensson
Board member

Bernd H.J. Bethe
Board member

Bodil Sonesson
Board member

Aniela Gjøs
Board member

David Williamson
Employee representative

Ingrid Solberg
Employee representative

Stefan Ranstrand
President & CEO
To the Annual Shareholders' Meeting of Tomra Systems ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements
We have audited the accompanying financial statements of Tomra Systems ASA, which comprise the financial statements of the parent company Tomra Systems ASA and the consolidated financial statements of Tomra Systems ASA and its subsidiaries. The parent company’s financial statements comprise the balance sheet as at 31 December 2013, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2013, and the income statement and the statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director’s Responsibility for the Financial Statements
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plans and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the separate financial statements
In our opinion, the parent company’s financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Tomra Systems ASA as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements
In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Tomra Systems ASA and its subsidiaries as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements
Opinion on the Board of Directors’ report and the statements on Corporate Governance and Corporate Social Responsibility
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors’ report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company’s accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 7 March 2014
KPMG AS

Bjørn Kristiansen
State Authorized Public Accountant